

DBP DEVELOPMENT

banker

July - December 2019

Building Partnerships Improving Lives



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ABOUT THE COVER

The Development Bank of the Philippines works together with strategic development partners such as industry and businesses, financial institutions, rural banks, local government units, national government agencies and non-government organizations to fulfill its developmental mission for the benefit of more and more Filipinos.





Building Partnerships, Improving Lives

Excerpts from the speech of DBP President and CEO Emmanuel G. Herbosa
at the Rural Bankers Association of the Philippines 62nd Charter Anniversary Symposium
7 November 2019 | Pandanggo Polkabal Ballroom, Manila Hotel

In a time when everyone in the banking sector is talking about the noble goal of promoting financial inclusion in the countryside, I believe that the role of rural banks has never been more critical. After all, you (rural banks) know the market in the countryside. You provide credit to primary food producers such as farmers, fisherfolk and small businesses that commonly belong to the most marginalized sectors of the economy. And we in the DBP would want to tap on that unique value proposition of yours to achieve our common goal of promoting financial inclusivity.

This brings me to the theme of our session -- "Building Partnerships: Improving Lives" which I believe aptly describes what we in the DBP have been doing all along, all through our 72 years as a development financial institution. Over the years, DBP has relied heavily on its partnerships with other stakeholders in pursuit of its developmental mission -- to the point that the acronym of the name of our bank, DBP, can also mean "Development By Partnership." Without the support of our strategic partners like rural banks, other government agencies, and the private sector, DBP cannot effectively

fulfill its role as a catalyst for a progressive and prosperous Philippines.

Let me zero in on the word 'catalyst' which we use to pertain to any individual or party causing change. A catalyst can cause change by itself; but imagine how fast that change can be when the catalyst works with others?

Agribusiness Financing

Our latest financing initiative for the rice farmers in Isabela shows how working with different stakeholders can spark change. We are taking a holistic approach in agricultural financing not only by providing financing for the farmers, but also by tapping government institutions to provide facilitation and technical assistance and initiating linkages of the farmers to the off-takers. This project also provides the blueprint on how DBP and rural banks can work together.

Called the Agribusiness Financing Program, this puts you, the rural banks, at the forefront of lending to individual farmers for production loans. You will be working side by side with us in promoting value chain coordination and cooperation.

As you can see in our business model, farmer-borrowers will have to approach our partner-rural banks in Isabela. These rural banks will handle the loan evaluation, approval, and release. They will also send a list of approved loan applications to the farmers' cooperative or buyers.

Our job will be to provide the working capital for palay procurement of farmers' cooperatives. The farmers' cooperatives, meanwhile, will buy palay from members/farmers and credit the payment to the farmers, net of loan amortization, to rural banks. They will also send remittance reports to our partner-rural banks and sell the rice to the off-takers like the local government units and the Department of Agriculture.

This financing program leverages the power of digital financial services in promoting inclusive growth in the countryside and subsequently, alleviating the plight of the farmers.

A few weeks ago, we issued DBP PayMaya ATM identification cards to rice and tobacco farmers who belong to the Nagkaisang Magsasaka ng Isabela Agricultural Cooperative or NMIAC. Through these ATM cards, the farmers will be able to receive their proceeds of the excise taxes from locally-manufactured

Isabela governor Rodito T. Albano III (middle) hands over a DBP PayMaya ID to a farmer. Also in photo are DBP president and chief executive officer Emmanuel G. Herbosa (right) and Isabela vice governor Faustino Dy III (second from right).



cigarettes, barley, and native tobacco. (See related story on page 53).

It should improve the overall productivity of our farmers and open possible entrepreneurial endeavors through available technology. Our hope is that in the future, these farmers will eventually become depositors and entrepreneurs.

The Agribusiness Financing Program can provide you, the rural banks, with the opportunity to sustain your strong position over the agri-lending market. We will rely on your knowledge of farmers and their cooperatives to move this program forward. In short, you can be our valuable partners in this endeavor.

Aside from lending to farmers and fisherfolk, there are other areas of cooperation that we can explore.

We should all remember the government is the largest generator of fund transfers – conditional tax transfers, tax payments, and other miscellaneous fees. As a government financial institution, it is DBP's job to create the most efficient channel to effect such inward and outward transfer.

In addition, we can talk about working together so that large corporations have a nationwide collections and payment network for insurance premiums, tuition payments, among others. We can also explore the possibility of using the network to create larger participation



DBP finances the acquisition of modern, energy-efficient and environment-friendly passenger utility vehicles through its PASADA program.

Through the DBP PASADA program, jeepney drivers are integrated into the financial mainstream.

in the government securities or stock markets. I give these examples as concrete fulfillment of the financial inclusion objectives of the government.

To realize this promise, we have to do the basics. And by that we mean a thorough re-examination of how we can do nationwide payments and settlements using technologies and approaches that are at par with what is already available in Australia, Singapore, or Somalia.

Yes, you heard it right, Somalia, because the country has a funds transfer system that puts the Philippines to shame. To that end, I am happy to share DBP has already started working on such a settlements platform with a working group of your fellow rural banks and the Society for Worldwide Interbank Financial Telecommunication or SWIFT.

With DBP in the picture, we are committed to building a platform that is premised on an open business and technology mode. And in so doing, I believe this is an excellent manner for DBP to likewise meet its mandate of being a partner of the rural banks.

Indeed, there are plenty of things that DBP and rural banks can work on in the future. Believe me when I say that you can be more than just remittance partners of DBP.

Allow me to cite some of our initiatives that we have undertaken with other stakeholders

to promote the well-being of disadvantaged sectors of the society. As I describe their initiatives, I wish to emphasize that DBP has taken the lead to demonstrate that it can be done.

However, it is our expectation that the rural banks will use these templates and cascade it as lending opportunities to your respective cooperatives.

DBP PASADA

The DBP Program Assistance to Support Alternative Driving Approaches, or DBP PASADA, is our contribution to the National Government's public utility vehicle modernization program. Through this funding facility, we help qualified transport cooperatives and corporations that are registered with the Office of Transport Cooperatives to acquire modern jeepneys.

While this is our contribution to the National Government's efforts to modernize public transportation, I also consider it as part of DBP's advocacy to include as many Filipinos into the financial mainstream as possible. DBP PASADA finances the acquisition of modern, energy-efficient, and environment-friendly passenger utility vehicles, and thus impacts the lives of hundreds of drivers.

The Taguig Transport Service Cooperative, has acquired 30 modern PUVs through DBP's funding assistance. With two drivers and two PAOs assigned to each PUV unit, we have

Photo below shows the signing of the MOU between DBP and OPPAP, from left: DBP board director Maria Lourdes A. Arcenas, Presidential Peace Adviser Carlito G. Galvez Jr., DBP president and chief executive officer Emmanuel G. Herbosa, Undersecretary Arnulfo R. Pajarillo; and DBP Trust officer Ma. Teresa T. Alienza.

Right photo shows DBP director Arcenas.



helped at least 120 people gain employment. Hopefully, they will also learn the value of saving and investing in the very near future.

Initiatives in Mindanao

I would also like to discuss another endeavor which is close to my heart. It's something which I had mentioned before during my previous speech before RBAP officials, and this is DBP's support to the peace process. We fund programs and projects to help improve the social infrastructure in Mindanao, and to help the region achieve its full potential.

Recently, we formalized our partnership with the Office of the Presidential Adviser on the Peace Process, or OPAPP, to help in the disbursement and management of the funds donated to the agency. The DBP Trust Banking Group will serve as the overall fund manager, providing fiduciary arrangement support involving disbursement management, fund acceptance, and fund management.

In addition to our OPAPP engagement, we also remain committed to the developmental programs and projects that can promote socioeconomic growth in the region. Just last month, I was at the groundbreaking ceremony of a banana plantation of Mt. Kitanglad Agri-

Ventures Inc. and Unifrutti Tropical Philippines, Inc. in Barobo, Surigao del Sur. Once fully developed, this new plantation shall provide employment to around a thousand people in Mindanao.

We in DBP are extremely proud to be supporting Unifrutti because this group is one of the largest producers of export-quality Cavendish bananas in the country. They have also been very active in spurring economic development even in the so-called conflict areas in Mindanao. They are operating a 272-hectare banana farm in Bumbaran, Lanao del Sur where Muslims and Christians can, and are, working harmoniously with each other.

In closing, I would like to invite you, the rural banks, to take on a more proactive role in spreading development in the countryside by partnering with DBP. Let's work closely in bringing financial services to small borrowers like farmers, fisherfolk, and entrepreneurs in the rural areas and in the process, support the government's aim of reducing poverty through job generation. Together, we can build on the gains of the burgeoning local economy and help improve the lives of more Filipinos nationwide.

Thank you and good morning. ■

DBP is Now on facebook

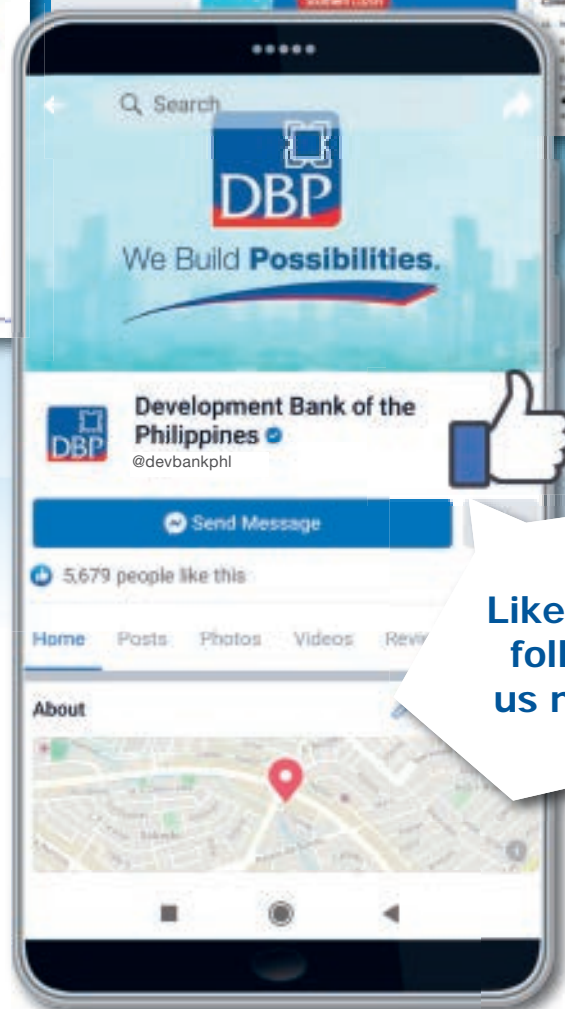
DBP has expanded its efforts to reach out to more and more development stakeholders by stepping into the social media platform. The bank's recently-launched official Facebook page has already earned the blue verification badge.

Over the years, the Internet has created a platform for connectivity and the world wide web has made information sharing highly achievable. Advancements in data transmission has made it possible for information to travel around the world in mere seconds. All types of information could now be instantly shared and re-shared. Anyone with internet access can now be reached with a click of a button on a computer or a tap on a smartphone.

As the nation faces today's ever-changing milieu, DBP as a responsive development bank aims to continue embracing all the major shifts not only to provide the vital link among industries, sectors and regions, but also to engage its stakeholders meaningfully in the hope that they would partake in spreading the gains of development. To keep up with the rapid pace of change, DBP has taken on another platform to better serve its clientele. The country's Infrastructure Bank is finally on one of the most prominent social media platforms online – DBP is now on Facebook!

This latest undertaking is a part of the bank's commitment to promote financial inclusion by reaching out to provide financial education and information to the underbanked and underserved.

By launching the official DBP Facebook page, the bank further advances its pursuit of excellence in all facets of its operations, while adhering to the highest standards of good governance through enhanced stakeholder engagement and information.



Like and follow us now!

Be in the development loop. Like the official DBP Facebook page: www.facebook.com/devbankphl ■



DBP Increases Loans to Priority Sectors

DBP broadened its support to priority sectors in the third quarter of the year, disbursing a total of P329.1-billion in loans to borrowers, showing a 33.8 percent increase from the P246-billion recorded during the same period last year, a top official said.

DBP president and chief executive officer Emmanuel G. Herbosa said bulk of the bank's loan portfolio went to the infrastructure and logistics sector that accounted for nearly 40 percent of loan releases amounting to P152-billion, followed by loans to social services P67.3-billion; environmental projects, P44.6-billion; and micro, small and medium enterprises (mSMEs), P24.6-billion.

"DBP will continue with its drive to promote economic inclusion and remain a relevant and responsive partner of the National Government in promoting sustainable development particularly in the countryside," Herbosa said.

DBP is the eighth largest bank in the country with assets totaling P700.9-billion as of end-September this year and has been designated as the country's infrastructure bank by the National Government.

Herbosa attributed the increase in its loan portfolio to aggressive lending activities through its 22 lending centers, which were established in 2018 to fast-track the credit application process and streamline client servicing.

He said majority of the projects financed under the infrastructure and logistics sector comprise energy, water resources, information and communication technology, transportation, construction, and manufacturing initiatives, and are located in Central Luzon, Davao, Central Visayas, Cavite-Laguna-Batangas-Rizal (CALABARZON), and the National Capital Region (NCR).

Herbosa said that DBP-funded social infrastructure projects involved health care, education, housing, and solid waste management initiatives, most of which were concentrated in underserved provinces and municipalities, adding that "...majority of its assistance for environmental projects were located in CALABARZON, Central Luzon, Central Visayas, Davao, and NCR..."

"Our capital adequacy ratio stood at 14.7% for the period ending September 2019, which is higher than the industry average of 12.2%." ■



DBP funds new and renewable energy projects such as Astronergy Development Gensan, Inc. (ADGI) that aims to produce 25MWp of power in General Santos City.

"DBP will continue with its drive to promote economic inclusion and remain a relevant and responsive partner of the National Government in promoting sustainable development particularly in the countryside."

Emmanuel G. Herbosa
DBP president and CEO



DBP Honored for **Development Initiatives**



DBP board director Luis C. Bonguyan (2nd from right) receives the "Golden Dagitab" award for DBP from NEA Administrator Edgardo Masongsong (extreme right) and Energy secretary Alfonso Cusi (extreme left) during the 2019 Golden Dagitab Awards. Also in photo are DBP first vice president Ma. Lourdes Gumba and DBP senior assistant vice president Rustico Noli Cruz.

DBP's innovative programs supportive of countrywide growth have made waves, earning praises from various prestigious institutions.

NEA Golden Dagitab award for rural electrification program. DBP was cited by the National Electrification Administration (NEA) for its financing program that supports the expansion and continuous development of electric cooperatives in the country.

DBP president and chief executive officer Emmanuel G. Herbosa said NEA conferred the "Golden Dagitab" award on the bank for its Financing Utilities for Sustainable Energy Development (FUSED) program, which has extended needed financial assistance for the rural electrification efforts of the National Government.

"We are honored by this recognition bestowed by NEA," Herbosa said. "This recognition inspires us to look beyond our role as a bank and validates that we are on track in fulfilling our mandate of promoting nationwide growth and development."

Under the FUSED program, DBP provides financing for projects involving power generation, distribution and transmission as well as the purchase of needed equipment and machinery including enhancement of capacity of rural power suppliers.

Herbosa said that by the end of the implementation of the FUSED program in 2030, DBP would have supported P40-billion (1.43%) out of the P2.8-trillion total estimated investment requirement for power



The three awards garnered by DBP during the 4th IHAP Awards 2019 are (from left): Best Fixed Income Deal; Best Advisory Deal; and Best Deal of the Year.

generation and distribution under the Philippine Energy Plan 2012-2030.

"As of June 2019, DBP has already released a total of P43.73-billion under FUSED, 22.58% of which comprised releases to rural electric cooperatives that cater to underserved communities in various parts of the country," Herbosa said.

The "Golden Dagitab" awards was organized in celebration of NEA's 50th founding anniversary and to recognize various industry partners and stakeholders which have played a key role in strengthening the government's rural electrification program.

IHAP awards. The Investment House Association of the Philippines (IHAP) has bestowed three awards to DBP for its active participation in critical projects on infrastructure, renewable energy, and the latest issuance of retail treasury bonds of the National Government.

The Investment House Association of the Philippines (IHAP) cited the P19-billion Cebu City-Cordova toll bridge project as Best Deal of the Year, while the 21st RTB issuance and the acquisition of a solar portfolio by Citicore Power Incorporated (CPI) were adjudged as Best Fixed Income and Best Advisory (Small – Mid Cap) Deals of 2019.

"We are extremely honored by these awards bestowed by IHAP," Herbosa said. "DBP is driven to support noteworthy investment transactions for projects that have distinct developmental impacts."

DBP provides financing to strategic sectors such as infrastructure and logistics, micro, small and medium enterprises, social services and community development and the environment.

The transaction with the Cebu Cordova Link Expressway Corporation involving the construction of a toll bridge, viaduct and causeway is projected to serve at least 40,000 vehicles daily and ease congestion between the two islands.

Herbosa said once completed the 8.5-kilometer toll bridge would provide additional access to the Mactan Cebu International Airport and boost trade and commerce in the bustling province.

He said the 21st tranche of the RTBs, where DBP acted as joint issue manager, raised more than P121-billion for the National Government. DBP was among the top three selling agents for the RTBs with P11.9 billion in sales, which represent 10% of the total issue size.

"We are honored to be again recognized for our role in developing the capital markets by providing advisory, issue management and debt syndication services to our valued clients," Herbosa said.

DBP's transaction with CPI would allow the company to increase its total renewable energy capacity from its present 163 megawatts (MW) to 1,000 MW and bolster its ability to service contestable customers through its Retail Electricity Supplier License.

"We see the transaction as a big boost to government's efforts to increase to 50% the contribution of renewables of the country's total electricity generating capacity," he said.

The IHAP Awards is aimed at recognizing outstanding investment

banking transactions in the capital markets that exhibited “innovation, excellence in execution, and a positive impact to the maker and issuer.”

Global award for public transport lending program. DBP received an international award for its financing program that supports the National Government's Public Utility Vehicle Modernization Program (PUVMP).

The bank won the Best Innovation in Financial Services award for its Program Assistance to Support Alternative Driving Approaches (DBP PASADA) during The Global Sustainable Finance Awards 2019 held in Karlsruhe, Germany.

“We are humbled by this award that recognizes our untiring efforts in helping the Duterte administration achieve its goal

Photos below show the DBP-financed passenger utility vehicles (PUVs) operated by Libra Jeepney Operator Transport Cooperative and Mandaluyong Transport Service that participated in transporting athletes and guests during the recently-concluded 30th Southeast Asian Games. These modern, safe, and environment-friendly PUVs are equipped with Wi-Fi, closed circuit television, speed limiter, LED screen, and Global Positioning System.



of modernizing the country's public transportation sector," Herbosa said in his acceptance speech. "Rest assured that DBP will continue assisting transport corporations and cooperatives in acquiring modern, safer, and environment-friendly public utility vehicles."

The award recognized the success of DBP in balancing the 3Ps — people, planet, and profits — through the PASADA by embedding sustainability in lending and advancing the transformation to a low carbon and sustainable economy.

Established in 2017, the DBP PASADA is a special loan facility that offers reasonable terms to corporations and cooperatives looking to acquire brand new, low-emission, and fuel-efficient public utility vehicles making the program responsive to the needs of the transportation section and the National Government. The program also finances the purchase and acquisition of support facilities such as off-street garage charging stations and service centers necessary for the proper operation and maintenance of PUVs.

The DBP PASADA has assisted five transport operators in the acquisition

of 93 jeepney units with a total loan amount of P154.68-million. The financing program offers a fixed interest rate of 6% per annum inclusive of gross receipts tax for the entire term of the loan, and a loan tenor of seven years.

The Global Sustainable Finance Awards were presented to financial institutions, relevant organizations, and presidents and chief executive officers who have distinguished themselves through outstanding contributions to the field of sustainable banking and finance. The awards are presented by the European Organization for Sustainable Development, the City of Karlsruhe in Germany, and the Association of Development Financing Institutions in Asia and the Pacific. ■



DBP won the Best Innovation in Financial Services award for its Program Assistance to Support Alternative Driving Approaches (DBP PASADA) during The Global Sustainable Finance Awards 2019 held in Karlsruhe, Germany. The award recognized the success of DBP in balancing the 3Ps — people, planet, and profits — through the PASADA by embedding sustainability in lending and advancing the transformation to a low carbon and sustainable economy. Left photo shows one of the modern public utility vehicles financed under the DBP PASADA. Right photo: The Karlsruhe Sustainable Finance Award that was conferred on DBP.

DBP Hailed Best Workforce

DBP was hailed by the Sustainable Business Awards (SBA) National Advisory Panel as the company with the “Best Workforce,” citing the bank’s sustainable approach to employee engagement, well-being and diversity.

DBP president and chief executive officer Emmanuel G. Herbosa said DBP was one of the awardees of the recently-concluded Sustainability Business Awards (SBA) Philippines 2019, which was organized by Singapore-based Global Initiatives in partnership with Price Waterhouse Coopers Philippines and the Philippine Business for the Environment.

“We are greatly honored by this latest accolade,” Herbosa said. “This award validates our sustained efforts in creating a truly rewarding workplace culture for our most valuable asset – human resource.”

DBP has a branch network of 137 offices nationwide. In 2014, the bank was adjudged by SBA for the category on Energy Management, and Land Use, Biodiversity and Environment.

The SBA is an award conferred on companies for their outstanding performance on environmental and social sustainability. It is dubbed as the region’s leading sustainable award platform since 2012 and is designed to encourage companies to strive for continuing development through the introduction of new



DBP president and chief executive officer Emmanuel G. Herbosa (right) accepts the Best Workforce award from the chairperson and CEO of the Securities and Exchange Commission Emilio Benito Aquino (center) and Global Initiatives chief executive officer Anthony Gourlay (left) during the SBA 2019 Awarding Ceremony held at the Manila Peninsula Hotel.



sustainability benchmarks and standards. DBP along with 15 other companies emerged as winners in the 2019 SBA awarding ceremony.

Herbosa said DBP was also cited for promoting diversity in the workplace while sustaining non-discrimination and equal opportunity policy in the recruitment and selection process of potential employees.

“We are proud to note that DBP is home to ethnic groups such as Cuyunon, Igorot, Ibanag and Tausug, to name a few,” he said. ■

DBP Employee Receives CSC Award Anew

Senior assistant vice president Helbert Antoine A. Achay of DBP’s Branch Banking Group (BBG)-Central and Eastern Visayas has been honored recently as the Regional Winner of the Civil Service Commission’s 2019 Search for Outstanding Government Workers for Region 7.

The CSC’s Search for Outstanding Government Workers aims to recognize public servants who have excelled or shown dedication and commitment in government service while motivating other civil servants to strive for excellence.

Achay considers his major involvement in the DBP-Philippine Crop Insurance Corp. (PCIC) deal in Cebu as a significant accomplishment that qualified him to receive the CSC regional recognition, citing its impact on PCIC and the farmer-beneficiaries. Under the DBP-PCIC partnership, the bank pushed for greater financial inclusion with the distribution of DBP prepaid cards to farmers and fishermen in Cebu province to facilitate timely and convenient disbursement of indemnity claims of farmers and fishermen whose farms are insured by the PCIC.

“I have this personal advocacy to create an impact and add value to the people around me – among my colleagues, our clients, and my family. I always try to come up with innovative ideas, such as those that promote cost reduction, or those on responsive financing models to channel assistance to sectors that should be helped. And it feels good that by doing our regular job, we realize the importance of what we do,” Achay said.

Known for his consistent exemplary performance, Achay was also one of the five recipients of the 2018 Presidential Gawad CES Award from the Career Executive Service Board (CESB). His outstanding accomplishments and contributions that qualified him for the award spanned his efforts on product and process innovations, exemplary leadership, and exemplified community leadership. Gawad CES is a Presidential award that recognizes members in the Career Executive Service (CES) for exemplary performance and significant contributions, particularly in the areas of innovation, information and communication technology, social services, administrative reforms, and public policy. ■



Senior assistant vice president Helbert Antoine A. Achay of DBP’s Branch Banking Group (BBG)-Central and Eastern Visayas (left).

DBP Expands ATM Services to Underbanked Romblon and Palawan Areas



In support of the National Government's efforts to promote greater financial inclusion, DBP has installed offsite automated teller machines (ATMs) in several underbanked areas, namely: the main island of Romblon province and the municipalities of Quezon and Narra in Palawan.

The DBP ATM installed at the municipal hall of San Agustin, Romblon will serve the banking needs of more than 46,000 residents in Tablas island. The largest of the three islands comprising the province of Romblon, Tablas is composed of nine municipalities including the provincial capital of Odiongan. Aside from serving the underbanked municipality of San Agustin, the new DBP ATM also facilitates access to electronic banking convenience for the nearby unbanked municipalities of Sta. Maria, Alcantara, and Calatrava. The installation and blessing of the ATM was attended by town officials led by San Agustin, Romblon municipal mayor Esteban F. Madrona and DBP officials headed by then DBP Romblon branch head Jose Gilbert Rabuel.

In Narra and Quezon, Palawan, the inauguration and blessing of the newly-installed ATMs was attended by town officials led by Quezon mayor Joselito O. Ayala and Narra mayor Gerandy B. Danao, and by DBP officials headed by Branch Banking Group - Southern Luzon head senior assistant vice president Joel Jalbuena.

While classified as first-class municipalities, both Narra and Quezon, Palawan are underbanked with only two rural banks operating in these areas. The said towns are also more than two hours away from the provincial capital, Puerto Princesa City.

The newly-installed ATMs will provide 24/7 electronic banking services to nearly 200,000 residents of the municipalities of Quezon and Narra, Palawan and the neighboring unbanked town of Rizal. ■



Top photo: A man transacts at the ATM installed at the San Agustin municipal hall.

Middle photo: Shown during the agreement signing between DBP and San Agustin, Romblon LGU are (from left): Municipal treasurer Gil Gallamoza, mayor Esteban Madrona, Joel Jalbuena, and Jose Gilbert Rabuel of DBP. Standing is San Agustin vice mayor Zaldy Marin.

Bottom photo: Narra, Palawan mayor Gerandy Danao (fifth from left) poses with officers and staff of DBP headed by senior assistant vice president Joel Jalbuena (sixth from left) during the blessing and inauguration of the newly-installed DBP ATM.



President Rodrigo R. Duterte (seated, 8th from right) is shown with DBP president and chief executive officer Emmanuel G. Herbosa (standing 10th from right) and other BARMM officials during the launching of the second phase of decommissioning of the MILF combatants and weapons held recently in Maguindanao.

Towards Lasting Peace and Progress in Mindanao

by Jayvee P. Cortez

In a speech before the officers and staff of DBP, president and CEO Emmanuel G. Herbosa shared his experience in visiting a stronghold of the Moro Islamic Liberation Front (MILF). He was then in his third month at the helm of the state-owned bank when Presidential Peace Adviser Carlito G. Galvez, Jr. invited him to visit the MILF's Camp Bilal in Lanao del Sur.

Recounting his two-day visit, Herbosa was in awe of the warm welcome extended by the former rebels. "Commander Bravo [real name, Hadji Abdullah G. Makapaar] and all of his brigade commanders prepared a feast for us. I said: 'Where do these people get these fresh fish and everything?' *Pinaghandaan kami.*"

"I said: 'This is really overwhelming!' They are our Filipino brothers. We have not done much for them," he added.

Since then, Herbosa has vowed for a strengthened support to the peace process in Mindanao. DBP has committed in assisting the financial requirements of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) which covers the provinces of Basilan, Sulu, Maguindanao, Lanao del Sur, and Tawi-Tawi.

"DBP will support the Duterte administration's efforts to resolve the decades-long armed struggle in Mindanao by providing the financial intervention necessary to hasten the reintegration of the MILF rebels into society, and enable them to lead productive, civilian lives," he said.

Last September, he was again deep in the heart of the Bangsamoro region as he attended the launching of the second phase of the decommissioning of the MILF combatants and weapons held in Sultan Kudarat, Maguindanao. The event was attended by President Rodrigo R. Duterte and more than 1,000 former MILF fighters and netted some 940 decommissioned firearms.

"Today, we mark another important milestone in the history of the Bangsamoro peace process," President Duterte said in his speech. "This is indeed a huge step toward our goal in achieving lasting peace for Mindanao."

Prior to the event, Herbosa met with BARMM chief minister Ahod "Al Haj Murad" Balawag Ebrahim to discuss DBP's role in the delivery of economic package to the former MILF rebels. He also met with BARMM finance minister Eduard Guerra and Maguindanao representative Roonie Sinsuat.



(1) Photo shows DBP president & CEO Emmanuel G. Herbosa (third from left) with (from left) DBP Cotobato branch head Delos Martinez, BARMM chief minister Ebrahim, DBP first vice president George Inocencio, DBP senior assistant vice president Nelito Tingzon and bank client Esmael Ebrahim. (2) DBP president and chief executive officer Emmanuel G. Herbosa discusses the bank's products and services with BARMM chief minister Ahod "Al Haj Murad" Balawag Ebrahim.

Under Herbosa's stewardship, DBP has also been actively involved in initiatives that directly contribute to the achievement of peace and progress in the BARMM. The bank recently entered into a partnership with the Office of the Presidential Adviser on the Peace Process (OPAPP) to ensure the proper disbursement and prudent management of funds donated to the agency.

Under the memorandum of understanding (MOU) with OPAPP, the DBP Trust Banking Group (DBP-TBG) would serve as overall fund manager of OPAPP resources, which are earmarked for the various socio-economic programs of the agency. It will provide fiduciary arrangement support to OPAPP covering disbursement management, fund acceptance, and fund management.

"This partnership is a boon for our development efforts especially in conflict areas in the country," Herbosa said. "While OPAPP is primarily committed to attaining inclusive and sustainable peace, DBP is driven by a mandate to bring about inclusive and sustainable growth."

OPAPP is the lead agency tasked to "oversee, coordinate, and integrate the implementation of the comprehensive peace process of the National Government." It was created in 1993, through Executive Order (EO) No. 125, which was later amended in 2001 with the signing of EO No. 3.

DBP director Maria Lourdes A. Arcenas said that the DBP Board shares the vision of OPAPP in enabling conflict-affected communities to forge partnerships in reinforcing access to inclusive growth in reducing vulnerabilities and counter violent extremism.

"Consistent with the DBP and OPAPP mandates, this MOU augurs well for sustainable peace and the equitable development of Mindanao," Arcenas said.

Herbosa said that DBP remains committed to supporting programs and projects that will improve the level of social services and infrastructure to help Mindanao achieve its full potential.

DBP President Herbosa Receives Peace Champion Award

DBP president and chief executive officer Emmanuel G. Herbosa received the Peace Process Champion Award from Senator Juan Miguel Zubiri and Presidential Peace Adviser Carlito G. Galvez, Jr. during the closing ceremony of the 2019 National Peace Consciousness Month, coinciding with the 26th Founding Anniversary celebration of the Office of the Presidential Adviser on the Peace Process (OPAPP).

Herbosa received the accolade in recognition of his commitment and active support in the implementation of peace building programs in conflict-affected and conflict-vulnerable areas in the country.

Among the many initiatives being undertaken by DBP under Herbosa's leadership including a recent partnership with OPAPP to ensure the proper disbursement and prudent management of its funds, and an agreement with the Mindanao Development Authority to expedite the implementation of flagship projects and programs for the region.

The month of September was declared "National Peace Consciousness Month" pursuant to government's thrust to instill greater consciousness and understanding among the Filipino people on the comprehensive peace process. OPAPP is mandated to be the lead government agency to coordinate and monitor this observance.



From left: Presidential Peace Adviser Carlito G. Galvez, Jr., DBP president and chief executive officer Emmanuel G. Herbosa and senator Juan Miguel Zubiri.

"We are absolutely on the same page with OPAPP in making sure that critical resources are tapped to work for the greater good, under the framework of a comprehensive peace process," Herbosa said. ■



Liangnan Power Corporation

Advocating Energy Sustainability in Mindanao

by Edille Anne Z. Reyes



In a land of beauty and bounty lies an untapped wonder with abundant natural resources. The coastal municipality of Bacolod, located near Iligan Bay, is one of Lanao del Norte's best kept secrets. While its unspoiled and picturesque beauty is a sight to behold for locals and vacationers alike, a start-up company has realized that the municipality can be more than a tourist attraction.

Tucked in Bacolod's Barangay Pagayawan is the Liangan River, which will soon be home to Liangan Power Corporation's (LPC) pilot project in renewable energy.

LPC was registered with the Securities and Exchange Commission only in 2015. "We started our operations with mining. Now, we have shifted our focus into greener undertakings. Our first renewable energy project is an 11.9 megawatt (MW) hydroelectric power plant in Bacolod," relates LPC president and chief executive officer Josue A. Lapitan. "Our goal is to produce a reliable supply of renewable energy in the countryside," he added.

With its advocacy for ecological awareness and sustainable development, LPC's run-of-river diversion-type power station is set to produce renewable energy for the municipality of Bacolod and eventually the rest of Mindanao. The project is expected to reduce electricity rates in the province, generate additional jobs in the host community, and develop more trade and other economic activities between neighboring municipalities and other provinces. LPC's power station is scheduled to be fully operational by 2021.

"We saw potential in Lanao Del Norte, specifically in Bacolod, and we believe that this project can be beneficial both as a power source, and in terms of job generation for the residents of the municipality and, of course, those in nearby areas," Lapitan explained further. "The project is a joint venture between LPC and the Province of Lanao del

"Our goal is to produce a reliable supply of renewable energy in the countryside."

Josue A. Lapitan
LPC president and chief executive officer

The photo features the beautiful Pagayawan Falls in the Municipality of Bacolod.

Norte. We also chose to partner with DBP since we believe in their mandate."

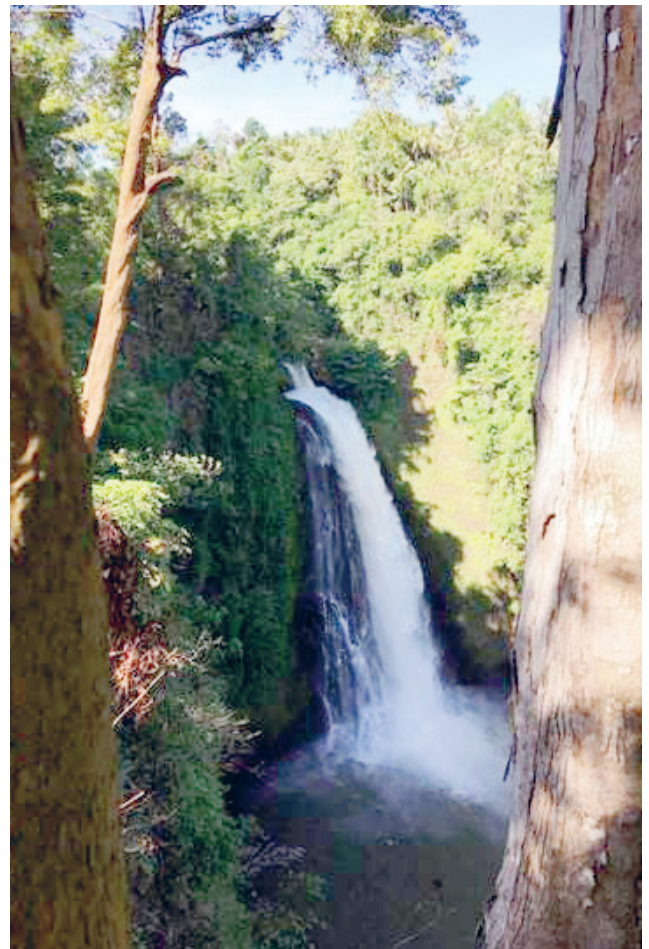
With the support of the local government unit of Lanao Del Norte, LPC was able to secure the first ever Joint Venture Agreement by a provincial government and the private sector for a hydroelectric power project – a welcome measure in the renewable energy sector.

Lanao Del Norte is known to be a major contributor to the overall development of Mindanao. The province hosts two hydropower plants. It was recently reported that peak power demand in Mindanao hit a record 2,013 MW in May 2019, exceeding the 1,853 MW recorded in December 2018. It has been projected that 3,500 MW of new capacity will be needed between 2021 and 2030 to support the region's infrastructure and industry development.

"We also want to express our appreciation to DBP. The bank has been very supportive of the company. We hope we get to work with DBP again for our future projects," Lapitan said. LPC is set to begin the development of another, bigger hydro project of around 250 MW in Bukidnon by early next year.

Proving its commitment to environmental protection and sustainable development, DBP continues to provide financing as well as technical assistance to projects that are not only ecologically sound but also sustainable. As a development financial institution, DBP will continue to play an active role in encouraging clients, like LPC, to include green considerations in their businesses and thrusts.

Capitalizing on renewable energy means investing in a clean, pristine environment. Paving the way for more renewable energy



The Liangan River is located in the Province of Lanao del Norte in Northern Mindanao.

projects can benefit more of the countryside, beyond Bacolod, Lanao Del Norte. With proper support, green energy endeavors of companies like LPC can pave the way for sustainable development all over the country. ■



Present during the signing of the loan agreement between DBP and LPC were (from left): DBP senior manager Christian Joseph Presa; LPC legal counsel Atty. John Coluso; DBP senior assistant vice president Raymond Valdez; LPC president and chief executive officer Josue A. Lapitan; DBP first vice president Roxann Morales; and LPC operations manager Roberto Neri II.

DBP Introduces E2SAVE For Energy Efficiency



Taking heed of the urgent message that energy efficiency and conservation is everybody's concern and responsibility, DBP has launched the Energy Efficiency Savings Financing Program, or E2SAVE.

E2SAVE supports Republic Act 11285 or the Energy Efficiency and Conservation Act for institutionalizing energy efficiency and conservation as a national way of life. Program objectives are:

- To provide credit assistance to public and private sectors' energy efficiency and renewable energy projects for own-use or net metering, to enable them to harness available new technologies and help contribute in the effort of reducing greenhouse gas emissions.
- To provide credit assistance to Energy Service Companies (ESCOs) or Energy Service Providers (ESPs) to further promote the development of energy efficiency and renewable energy projects.

By promoting new technologies, E2SAVE seeks to improve productivity in public and private institutions to promote the efficient and judicious utilization of energy.

Eligible borrowers

1. Public sector including:
 - National Government Agencies
 - Government Owned and Controlled Corporations
 - State Universities and Colleges
 - Local Government Units
2. Private Companies
3. Accredited ESCOs or ESPs

Eligible Loan Purposes

1. Short-term Loan Facility/Credit Line for:
 - ESCO or ESP's Purchase Orders and Energy Savings Performance Contracts (ESPCs) and/or Lease/Lease-to-own Contract Receivables.
 - Working capital requirements.
 - Import letter of credit pro-forma invoice amount of machineries and equipment
2. Long-term Loan Facility for:
 - Energy efficiency and/or renewable energy for own-use or net-metering related capital expenditure projects
 - ESCOs or ESPs' multi-year ESPCs and/ or Lease/Lease-to-own Contract
 - Conduct of Energy Audit/ Investment Grade Audit Report for public institutions

Eligible Projects

1. Replacement and installation of highly efficient mechanical and electrical equipment
2. Replacement and installation of highly efficient industrial technologies

3. Recovery and utilization of by-product gas, waste and pressure
4. Industrial process improvement and system optimization
5. Preparation of Energy Audit/Investment Grade Audit Report for government entities
6. Installation of solar rooftop/ground mounted and other renewable energy technologies for own-use or net-metering

Loanable Amount

1. For public institutions: Maximum loan amount of up to 100% of acceptable total project cost or winning bid price, whichever is lower
2. For private companies: Maximum loan amount of up to 80% of validated total project cost
3. For ESCO and ESP project: Maximum loan amount of up to 80% of Contract or PO amount, net of margin

Repayment Terms

1. Short Term – up to one (1) year
2. Long Term – up to 10 years inclusive of up to one (1) year grace period on principal

Interest Rate

Based on prevailing rates

Special Program Features

1. Project financing or collateral based on project asset may be allowed for clients with proven track record, profitable operation for the last three years or listed companies.
2. Repayment based on savings for energy efficiency and renewable energy projects may be allowed but not to exceed 10 years loan tenor.
3. Loan amortization may be designed based on 80% of monthly energy savings/revenues or depending on the client's preference provided loan tenor will not exceed 10 years.
4. Omnibus Term Loan Facility (OTLF) covering two (2) years pipeline projects may be allowed for ESCOs or ESPs.

To know more about E2Save, please visit www.dbp.ph or contact the DBP Lending Program Management Group – Program Development and Management Department 1 at telephone numbers 88189511 local numbers 3310, 3311, 3328, and 2356; 8893-3548; and 8893-9745. ■

Shade's Out, the Future's Bright

by Ma. Bernadette D. Zamora

Long before the development of photovoltaic (PV) or solar cells that are used to harness energy from the sun, early civilizations had long been using solar energy in a variety of ways. From agriculture to architecture, solar power generation continuously evolved, making it one of today's cheapest sources of power or electricity. According to the International Energy Agency, solar energy will someday surpass other forms of energy sources to become the largest power source by 2050.

Strategically located within the earth's two tropical zones, the Philippines is bestowed with great amounts of sunlight all year long giving the country a big advantage in terms of utilizing

solar energy both for individual consumer use and power production and distribution.

In addition, the National Government has always been fully supportive of the development and optimal use of the country's renewable energy resources. Green energy is central to the Philippines' sustainable energy agenda and is vital to addressing the challenges of climate change, energy security, and access to energy.

Realizing this enormous potential paved the way for Terasu Energy Inc. (TEI) Chairman Jose P. Leviste, Jr. to join the roster of industry leaders that are further accelerating the utilization of renewables in the country.

"As an economist, I like to work on things which make good economic sense not just in business but also for the country," said Leviste. "I believe that we have the moral obligation to take care of our environment and our people and I'd like to believe that I have to take care of those who have less in life."

Leviste, however, knew that with seizing such an impressive opportunity comes the challenge of striking a balance between current operations and innovations. As such, he opted to forge a partnership with the Development Bank of the Philippines (DBP) and Sindicatum Renewable Energy PTE Limited, a Singapore-based company that focuses on developing clean energy projects in South and Southeast Asia.

"One of the major challenges in putting up a solar energy project is the lack of financing and expertise, but we have managed to overcome that because we had the good fortune of working with DBP for this undertaking," shared Sindicatum country manager Michael Yamazoe.

Staying true to its mission of spurring economic growth while promoting environmental protection, DBP recently sealed a P1.65-billion loan agreement with TEI to partially finance the construction and development of a 40 Megawatt (MWac) Solar Power Plant in Concepcion, Tarlac. "Our partnership with TEI solidifies our commitment to journey with our clients towards a green and sustainable path," said DBP president and chief executive officer Emmanuel G. Herbosa. Sindicatum President Robert Eugene Driscoll adds that through this partnership, they likewise hope to fulfill their



"I like to work on things which make good economic sense not just in business but also for the country."

Jose P. Leviste, Jr.
TEI chairman



DBP president and chief executive officer Emmanuel G. Herbosa and TEI chairman Jose P. Leviste, Jr. (seated, third and fourth from right, respectively), and Sindicatum president Robert Eugene Driscoll and country manager Michael Yamazoe (seated, second and first from right, respectively) seal the P1.65-billion loan agreement which will help finance the construction of a solar power plant in Concepcion, Tarlac. They are joined by DBP Middle Market Group head Roxann D. Morales and Middle Market I unit head Jeanne Adamos (seated, second and first from left, respectively). Witnessing the MOA signing are officials from DBP and TEI.

mandate and communicate their commitment to sustainable development even as they devote themselves towards improving the lives of ordinary citizens with this project.

As a CO²-free power source, the environmental impact of solar power is significantly smaller compared to other power generation methods. This is why the conversion of energy from sunlight into electricity is forecast to play an important role in the global energy future. With the end goal of generating a greater percentage of the country's power from renewables, the TEI and Sindicatum team created technical models that will simulate the amount of energy that can be harnessed from the sun across one year to ensure project profitability and sustainability.

The solar plant that will soon operate in Concepcion, Tarlac is the second among a

series of solar power projects operated by TEI and Sindicatum. It will exclusively supply and sell its electrical outputs to SOLVRE, Inc., a wholly-owned subsidiary and marketing arm for contestable customers of Meralco Powergen Corporation (MGen). These contestable customers who have the power to purchase electricity directly from a retail electricity supplier such as SOLVRE, Inc. will in turn benefit from this clean energy source.

"Although we don't have a hundred percent control of the challenges ahead of us, we are confident as DBP has always been enormously helpful in addressing our needs. As we devote our resources towards the development of this high-impact project, rest assured that we will continue to build more projects dedicated to minimize and even mitigate the negative impacts of climate change," Leviste ended. ■



Photos show Sindicatum country manager Michael Yamazoe (left photo) and Sindicatum president Robert Eugene Driscoll (right photo) during their interviews at the DBP head office in Makati City.

Revolutionizing Palawan's Energy Future

by Ma. Bernadette D. Zamora



Palawan is the biggest province in the Philippines in terms of total land area. Its relatively pristine waters, intact forest ecosystems, and breath-taking landscapes make it one of the most sought-after vacation places in the country.

Despite its natural wonders, Palawan is faced with myriad socioeconomic challenges including poverty and environmental concerns. Pervasive issues include unstable and unregulated electricity sources particularly in Barangay Cabayugan, where the Puerto Princesa Underground River, a UNESCO World Heritage site, can be found.

In an article published in Rappler dated April 2018, Cabayugan's Barangay Captain Ramil Gonzales shared that residents who rely on the

use of generators spend a costly P3,000.00 per month just to power-up their houses from 6 p.m. to 10 p.m.

Maria Cayanan Fiechter, president of Cabayugan's Tourism Establishments Association, also shared that the barangay is falling behind in terms of earnings from the tourism industry due to its unattractiveness owing to unstable electricity supply.

This critical concern paved the way for the formation of the Sabang Renewable Energy Corporation (SREC), a consortium composed of WEnergy Global Pte. Ltd.; Vivant Energy Corp.; and Gigawatt Power, Inc. (GPI).

SREC: Southeast Asia's First Microgrid Project

Conceptualized as early as 2012, SREC aims to immediately resolve climate change issues within its identified area of operations through alternative power sources that have minimal environmental impact.



"Our mission is to electrify the Cabayugan community, clean and quick."

Atem Ramsundersingh
SREC Director

"Our mission is to electrify the Cabayugan community, cleanly and quickly," said Atem Ramsundersingh, SREC Director.

SREC's first of its kind hybrid power project uses solar energy, diesel operators, and 14 kilometers of smart grid or distribution network. This is the first hybrid-powered microgrid in the Philippines approved by the Department of Energy (DoE) and the Energy Regulatory Commission (ERC). It is also the first such microgrid in Southeast Asia.

A microgrid is a local energy grid with control capability, enabling it to disconnect from the traditional grid and operate autonomously. It generally operates while connected to the grid; however, it can also break off and operate on its own using local energy generation in times of crisis like storms or power outages.

The microgrid technology may be powered by distributed generators, batteries, and/or renewable resources like solar panels. In the case of SREC, its power project will run through a combination of solar (60%) and diesel-powered (40%) generators that are projected to soon provide 24/7 electricity, at reasonable and affordable cost, to the residents of Barangay Cabayugan.

"We've designed the microgrid to optimize the use of intelligent battery energy storage based on local electricity loads and needs. Basically, the battery will be used to store energy and release it only when supply and demand require balancing so as to make up for shortfalls in PV generation," Ramsundersingh said in an interview published in the February 2019 issue of Solar Magazine.

The solar component of the hybrid power project will help reduce carbon dioxide (CO₂) emissions in the atmosphere that are caused by conventional power plants, and will likewise contribute to global efforts towards reducing greenhouse gas emissions in the atmosphere.

SREC is located within the same community as the Puerto Princesa Subterranean National Park. The area is heavily dependent on the electricity generated by costly diesel generators, with a current electrification level of only, as well as an unregulated system, many remote rural areas still have no power.

With SREC's hybrid power project, a

distribution network that includes 210 electrical posts built throughout the area shall significantly increase the level of electrification to 99%.

This hybrid power infrastructure also went through a thorough assessment given its delicate location. Construction was heavily influenced by the conditions of the area which is classified as a nature reserve to protect the catchment area of the Puerto Princesa Underground River, tagged as one of the New Seven Wonders of Nature for being one of the longest underground rivers in the world.

Pioneering Renewable Energy Use

While SREC met with other financial institutions to discuss the future of micro-grids in centralized electrification, "DBP pushed its own limits in considering our loan proposal," said GPI president Walden H. Tantuico. "Those were the days when the Philippines was still new in renewables and harnessing new technologies was still very expensive."

SREC then came to DBP in early 2017 for financial support for its pioneering project. The partnership with DBP was immediately formalized with the signing of a P300-million term loan agreement to partially finance construction of SREC's hybrid power plant.

"More than spurring economic growth, we at DBP hope to contribute also towards improving the lives of more Palaweños. Through this partnership, we are able to fulfill our mandate of accelerating sustainable economic growth while placing the well-being of the Filipino people as priority," said DBP president and chief executive officer Emmanuel G. Herbosa.

SREC's hybrid power plant was officially inaugurated on November 7, 2019, with Energy Secretary Alfonso G. Cusi, Chairperson of Senate



SREC field engineers operate on-site equipment of the newly opened hybrid plants.



Nestled in Sabang, Puerto Princesa City in Palawan is the country's first hybrid-powered microgrid plant.

Committee on Energy Sherwin Ting Gatchalian, and Puerto Princesa Mayor Lucilo R. Bayron in attendance. SREC continues to be grateful to DBP for the bank's committed support in helping the company fulfill its mission of providing reliable power supply to underserved communities in Palawan. "DBP's involvement has been one of the key factors in our successful project implementation. Without DBP's funding support, we would have never been able to implement the project on-time," ended Tantuico. ■



Walden H. Tantuico
President and chief executive officer
Gigawatt Power, Inc. (GPI)



"Through this partnership, we are able to fulfill our mandate of accelerating sustainable economic growth while placing the well-being of the Filipino people as priority."

Emmanuel G. Herbosa
DBP president & chief executive officer

The 10 megawatt power plant of Supreme Power Corporation in Koronadal City.



Supreme Power Corporation Powering Up Community Development

by Alni Dorothy Alfa R. Emphasis

Just around a 30-minute ride from the city of Koronadal, a DBP-assisted 11.9 MW packaged power plant project of Supreme Power Corporation (SPC) can be found operating right at Purok Garfin, Barangay Paraiso.

SPC is owned by siblings Juanita Siy, company president; Romeo Siy, treasurer; Jose Siy Cha, corporate secretary; and Manuel Siycha, director.

A member of the Siycha Group of Companies, SPC initiated the establishment of this power project to augment the growing energy requirements of industries and residential consumers in South Cotabato, thus helping to boost the power supply for over half of the province.

"With the frequent power shortages and brownouts that we experienced here, we decided to step in and propose a power plant project to DBP that will not only redound to benefits for our business but also address the needs of the community," Juanita Siy said.

In the same spirit of community development, SPC has built roads and provided water supply and a chapel in a nearby barangay of the power plant.

Since the project's completion in 2016, SPC has significantly contributed towards helping to maintain sufficient power supply for electricity consumers in the area.

The power plant directly streams its generated power to South Cotabato I Electric

Cooperative, or SOCOTECO-I, which services Koronadal City, eight towns in South Cotabato, and Lutayan town in Sultan Kudarat.

SPC is among the seven power providers of SOCOTECO I, a non-stock, non-profit membership electric cooperative created



under the provisions of the National Electrification Administration Act (RA 6038) as amended by Presidential Decree 269.

While SPC is the first power project of the Siycha Group of Companies, it is, likewise, the Group's first energy project with DBP. When the Group started with a rice milling business in 1986, it was DBP that provided them with the financing to purchase a foreclosed rice mill. The bank has also provided funding support for the Group's poultry farms, trucking and hauling business, and motorcycle financing project.

"While this plant is our first project for power, we already have a long-standing relationship with DBP as a Group. We have been long-term development partners," Juanita Siy adds. "In the case of SPC, DBP financed this whole project. This means, they really trusted us."

For the power plant project's initial capital requirements, DBP approved a 10-year term loan of P700-million to SPC on May 6, 2015. Seven months later, SPC was granted another five-year term loan of P140-million for permanent working capital.

"DBP has been our long-term partner in our development projects and initiatives and we would like to continue this business relationship with the bank for life," she added.

With DBP as its development financing partner, SPC is now currently working on the establishment of another 11MW power plant for the Davao Oriental Electric Cooperative, Inc. in Mati City and soon, a 10MW power plant for the Tarlac II Electric Cooperative, Inc. ■

Are you a borrower of DBP

or other financial institutions?



Here are a few things that you should know about the

Truth in Lending Act

Know the true and effective cost of borrowing

- The CASH PRICE or delivered price of the property or service (A)
- The amounts, if any, to be credited as downpayment and/or trade-in (B)
- The difference between the CASH PRICE and amounts to be credited as downpayment and/or trade-in (A less B)
- The charges, individually itemized, which are paid or to be paid by such person in connection with the transaction but which are not incident to the extension of credit
- The total amount to be financed
- The finance charge expressed in terms of pesos and centavos, and
- The percentage that the finance bears to the total amount to be financed expressed as a simple annual rate on the outstanding unpaid balance of the obligation.

- Explicit notification such as a Disclosure Statement in writing is a required attachment to your credit transaction contract before the consummation of the credit transaction.
- You have the right to complain against a creditor for any violation of this Act within one year after the occurrence of the violation in any court of competent jurisdiction. Attorney's fees and court costs shall be to the cost of the creditor as determined by the court.

- A creditor who fails to disclose any information in violation of this Act or any regulation thereunder shall be liable to you in the amount of P100 or in an amount equal to twice the finance charged required by your creditor in connection with such transaction, whichever is greater, but not to exceed P2,000 on any credit transaction.
- Any person who willfully violates any provision of the Act or any regulation issued thereunder shall be fined by no less than P1,000 or more than P5,000 or imprisonment for not less than 6 months, nor more than one year or both.
- The punishment or penalty provided under the Act shall not apply to the Philippine Government or agency or any political subdivision thereof.

- For more details, please refer to Republic Act No. 3765 approved on 22 June 1963, and BSP Circular No. 1052, series of 2019, dated 02 October 2019.

DBP's Maiden ASEAN Sustainability Bonds Raised P18.125-B on PDEX

The Development Bank of the Philippines listed P18.125-billion in the Philippine Dealing and Exchange Corporation (PDEX) in its maiden issuance of 2-year ASEAN Sustainability Bonds due 2021, paying 4.25% p.a. in quarterly coupons.

"We are pleased to welcome the Development Bank of the Philippines (DBP) for its first-ever listing for this P18.125-billion, 2-year bond, and delighted to highlight that this bond emanates from DBP's ASEAN Sustainability Bond Program, which we understand is a 'first' of its own as a Program; aiming to provide financing and/or refinancing of specified green, social, or sustainability projects of up to P50-billion. And we note that even this late in the year the investor appetite was not hampered to take in this new issue. The amount of P18.125-billion

raised, more than three times the original issue of P5-billion, is a very positive response to DBP's maiden ASEAN sustainability bond issuance, as well as a good indicator of its clients' trust and confidence in the bank," said Philippine Dealing & Exchange Corp. (PDEX) president and COO Antonino Nakpil.

DBP president and chief executive officer Emmanuel Herbosa further underscored the significance of the initiative: "This is a historic milestone for DBP as this is the first-ever listing of the bank in the PDEX. With the listing of the DBP ASEAN Sustainability Bonds, our bank has made another significant stride towards the achievement of our mandate which is to be a catalyst of development for the Filipinos, to support and spearhead projects in line with the sustainable development goals of the country."

DBP chairman Alberto Romulo also expressed gratitude on behalf of the DBP, to all parties involved in making the transaction possible. ■

In the photo from left are: China Banking Corporation chief finance officer Patrick Cheng, China Banking Capital Corporation president Ryan Martin Tapia, Standard Chartered chief executive officer Lynette Ortiz, DBP chairman Alberto Romulo, DBP president and CEO Emmanuel Herbosa, PDS Group president Ma. Theresa Ravalo, PDEX president and chief operating officer Antonino Nakpil, LBP - Trust Banking Group assistant vice president Analiza Vasco, and Amalgamated Investment Bancorporation executive vice president and CFO Servando Alvarez Jr.





A Report on DBP's 3rd Quarter Performance

Excerpts from the quarterly performance report presented to DBP officers and employees
by President and Chief Executive Officer Emmanuel G. Herboza
18 November 2019 | DBP Bulwagang ng Dwing Pilipino



Meron akong kwento. Marami. I was recently conferred the Peace Process Champion award by the Office of the Presidential Adviser on the Peace Process (OPAPP). It was a recognition of my commitment and active support in the implementation of peace-building programs.

But this story also puts the spotlight on DBP, because it was DBP that paved the way for me to advance my peace and economic inclusion advocacy especially in Mindanao, the land of promise. This story continues to unfold because of the work that each of you is tirelessly putting in for the bank.

Institutional awards

Let me also share with you brief stories of our other awards, this time, institutional recognitions which matter the most to me.

DBP won three awards from the Investment House Association of the Philippines (IHAP), for our active participation on critical projects on infrastructure, renewable energy and the latest issuance of retail treasury bonds of the National Government.

IHAP cited the P19-billion Cebu City-Cordova toll bridge project as Best Deal of the Year, while the 21st RTB issuance and the acquisition of a solar portfolio by Citicore Power Inc. were adjudged as Best Fixed Income and Best Advisory in the Small - Mid Cap Category Deals of 2019.

The transaction with Cebu Cordova Link Expressway Corporation is projected to serve at least 40,000 vehicles daily, ease congestion along the SRP – the South Reclamation Highway in Cebu -- and provide additional access to the Mactan Cebu International Airport.

The 21st RTB tranche, on the other hand, where DBP acted as joint issue manager, raised more than P121-billion, with DBP among the top three selling agents. We achieved close to P12 billion (P11.9 billion) in sales, which represented 10% of the total issue size.

The transaction with Citicore Power, meantime, would allow it to increase its total renewable energy capacity from the present 163 megawatts to 1,000 megawatts. This is a big boost towards increasing the contribution of green energy in the country's total electricity-generating capacity.

DBP was also conferred the "Golden Dagitab" award by the National Electrification Administration (NEA) for our financing program -- the Financing Utilities for Sustainable Energy Development or FUSED -- that supports the expansion and development of electric cooperatives, thereby strengthening government's rural electrification program.

And just recently -- and I think the best of them -- the bank was hailed by the Sustainability Business Awards as the company with the "Best Workforce," citing our

"Tayo ang lumikha ng kwentong ito -- kwento ng kasipagan, ng dedikasyon, at malasakit sa bayan."

Emmanuel G. Herbosa
DBP president and CEO

sustainable approach to employee engagement and well-being. We were also cited for promoting diversity in the workplace, while sustaining non-discrimination and an equal opportunity policy in the recruitment and selection of employees.

So I congratulate each of you for writing these great stories for DBP. This is what Ulat's all about. *Tayo ang lumikha ng kwentong ito -- kwento ng kasipagan, ng dedikasyon, at malasakit sa bayan.*

Branch Banking

The Branch Banking Sector remains aggressive in developing products and services that's meaningful because it offers convenience, accessibility, and value to our clients.

A few weeks ago, I was in Isabela -- among the Ibanags -- with Senator Cynthia Villar, Agriculture Secretary William Dar, and of course Isabela Governor Rodolfo Albano III. We issued DBP PayMaya ATM identification cards to rice and tobacco farmers who belong to the Nagkaisang Magsasaka ng Isabela Agricultural Cooperative or NMIAC. Through these ATM cards, the farmers will be able to receive their proceeds of the excise taxes from locally-manufactured cigarettes, barley, and native tobacco.

We started with 25,000 marginalized farmers -- those who till less than 2,000 hectares -- because how can you produce rice effectively if you don't have scale?



Photo features DBP president Herbosa (right) with the rice and tobacco farmers receiving their DBP PayMaya ATM identification cards.



DBP has partnered with 14 schools for the RISE program, a CSR initiative for education.

It's a noteworthy project of which I am excited about because most of us know the predicament that our farmers are facing with the Rice Tariffication Law in effect. It may not be a magic wand that will solve all their woes; but I hope and pray that it can be at least something to ease their burden.

A few months back, I signed a memorandum of agreement with the city government of Parañaque and the Department of Education for a student assistance program that will benefit over 40,000 qualified public school students.

Under the agreement, DBP will facilitate the electronic disbursement of allowances and subsidies through the students' DBP savings account, which comes with a DBP EMV Debit Card that may be used at any DBP or Bancnet-affiliated ATM. Approved student-beneficiaries shall be qualified to open a DBP savings account without the initial deposit and maintaining balance requirements, with interest to be earned upon reaching a deposit balance of P500.00. *Yun ang minimum maintaining natin.*

Now I have a more interesting kwento. Last September 6 to 7, I was given the opportunity to present the bank's products and services to top BARMM officials led by interim chief minister Al Haj Murad Ebrahim in Maguindanao. I told them that DBP will support the Duterte

administration's efforts to resolve the decades-long armed struggle in Mindanao by providing the financial intervention necessary to hasten the reintegration of the MILF rebels into society and enable them to lead productive, civilian lives.

I also attended the launching of the second phase of the decommissioning of the Moro Islamic Liberation Front combatants and weapons held in Sultan Kudarat, Maguindanao with President Rodrigo Duterte in attendance. More than 1,000 former MILF fighters attended the rites -- which netted some 940 decommissioned firearms including the Barrett, that sophisticated sniper weapon, and other really high-powered weaponry. This was a follow-up activity to my visit to Camp Bilal in Munai, Lanao del Norte under the command of Hadji Abdullah G. Makapaar, more popularly known as Commander Bravo.

These are inspiring stories after all. We are taking concrete steps towards economic inclusion, *hindi lang puro salita, kundi may katapat na gawa.*

Year on year, our CASA (Current Account-Savings Account) ADB grew 13.1%, while total deposit ADB

improved by 16.5%. But the major metric there is CASA ADB because it reflects customer service, quality, and all of that.

From end-2018 levels, CASA ADB increased by 11.6%; term deposits grew 17.7%; and total deposit improvement, 14.7%.

In terms of expanding our electronic network this 2019, our Branch Banking Sector team has so far been able to deploy ATMs in several underbanked and unserved locations in Gattaran in Cagayan, Pantabangan in Nueva Ecija, and Narra and Quezon municipalities in Palawan. This is important for our economic inclusion initiatives.

For example, Narra and Quezon in Palawan, while classified as first-class municipalities, are actually underbanked with only two rural banks operating in the area. The installation of DBP ATMs provided electronic banking access to the 200,000 residents of Narra and Quezon, and the neighboring unbanked town of Rizal.

We have added 45 additional ATMs, bringing our total ATM network to 833 as of end-September.

Engaging DBP's stakeholders

Extending our concern towards our external stakeholders, the Bank has given our clients, both existing and potential, another platform to learn about DBP and its products and services, as well as to convey their feedback. This social media channel now allows our Bank to be on the same page as our clients, and ensures the responsiveness of our products and services.

We recently tapped the support of 14 partner schools under the DBP Resources for Inclusive and Sustainable Education (DBP RISE)

program. Under a memorandum of agreement, DBP and its partner schools will collaborate in promoting the welfare, through education, of underprivileged students. As we all know, DBP RISE is the bank's primary CSR initiative for education that aims to help mold the Filipino youth into responsible, empowered, productive, and competitive global citizens.

Development lending

Emmar Tiglao has been working as a PUV driver for more than eight years. In the past, he had to stay on the road till late at night so as to earn enough for his family's needs. But today, as the driver of a modernized PUV, he now works only an eight-hour shift, gets to go home early to spend more time with family, and earns P700 a day.

But there's more. If Emmar spends more than eight hours on the road, he is paid overtime. And for the first time in his life, Emmar is also entitled to regular employment benefits,



DBP PASADA benefits not only the commuters but also the participating drivers and passenger assistance officers through regular employment.

which are certainly important to a family man like him.

Emmar is one of the growing number of driver-beneficiaries of the DBP PASADA. Emmar's employer, the Taguig Transport Service Cooperative, has acquired 30 modern PUVs through DBP's funding assistance.

The PASADA program also benefits the passenger assistance officers, or PAOs, and not just the drivers. These PAOs -- who are in charge of collecting passenger fares and notifying the driver when passengers need to get off -- receive a daily wage of P450. So these guys become regular employees and thus, benefit from the SSS, Pag-ibig and all of these, so we're getting less contractuels and less kaskaseros because *nagba-boundary*. But nobody wins against boundary these days because of the traffic. So this is another advocacy that's well worth for us to proceed on.

It is very clear that the stories that DBP writes are anchored on our passionate pursuit of economic inclusion. In the country's journey towards growth, no one should be left behind. Everyone should contribute to, and benefit from, the fruits of development. This is the foundation of every financing program that we implement, and let's be proud that DBP continues to perform considerably well in its lending operations.

Under its development lending operations, DBP continued its impressive performance. Total new, new and additional loan approvals amounted to P82.44-billion.

Loan portfolio reached P334.79-billion, which is already 103% of the annual target of P326.4-billion.

In the third quarter, the Development Lending Sector introduced a new lending program, the Distributor and Dealers Financing Program. This facility supports the development and promotion of mSMEs in areas with distinct membership of sellers/suppliers, distributors/ dealers, and retailers



that are linked in a supply or value chain of a specific brand of product or group of products as the business is defined.

Innovations in internal audit

DBP was also recently recognized for its innovations in internal auditing in the GOCC sector particularly the "Adoption of 4-Tier Risk-Based Internal Audit Rating System." DBP's Internal Audit Group (IAG) received the award during the Association of Government Internal Auditors Search for IAS with best practices and innovations in internal auditing.



DBP Internal Audit Group head senior vice president Ryan R. Gabinete (third from right) receives the award for the bank's innovations in internal auditing. Also in photo are (from left): AGIA executive vice president Dinah E. Pichay, AGIA president Josie Jane C. Ablin, DBP vice president Ardy D. Gomez, DBP assistant vice president Lorna L. Bundang and AGIA director Hideliz Marie A. Laranang.

Financial Performance

Now here's a consolidation of all our stories. *Ito na ang kwento nating lahat.*

In summary, our total deposits grew by 12.1 percent for the first nine months of the year, to P502-billion from the P447.8-billion reported in the same period last year, backed by aggressive deposit generation activities.

Gross income reached P24.2-billion in the third quarter of the year, up by 28.6% from the P18.9-billion reported during the same period last year.

Total assets showed a 10.7% growth for the third quarter of the year, to P700.9-billion from the P632.9-billion registered for the same period in 2018, while our net worth rose by 17.01%

to P58.5-billion. Also because of the capital, or the dividend reprieve.

DBP's capital adequacy ratio stood at 14.7% for the period ending September 2019. This figure is higher than the industry average of 12.2%. So we have a buffer for more credit.

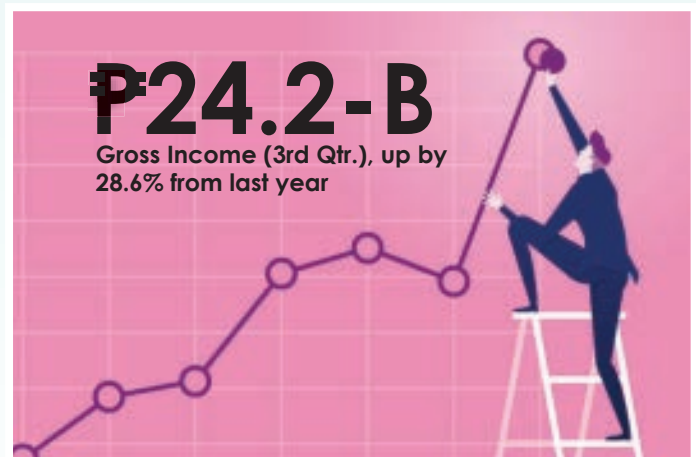
The bank's net income for the third quarter reached P4.42-billion. This figure is down slightly, by about 1.56 percent, from the P4.49-billion recorded during the same period last year, due mainly to higher provisions for impairments losses and taxes and operating expenses.

But let's not be discouraged by this minor setback. I remain confident that we can achieve our financial targets for this year. We have already achieved 75% of our net income target for 2019 due to a realization rate of 103% on our net income target for the third quarter.

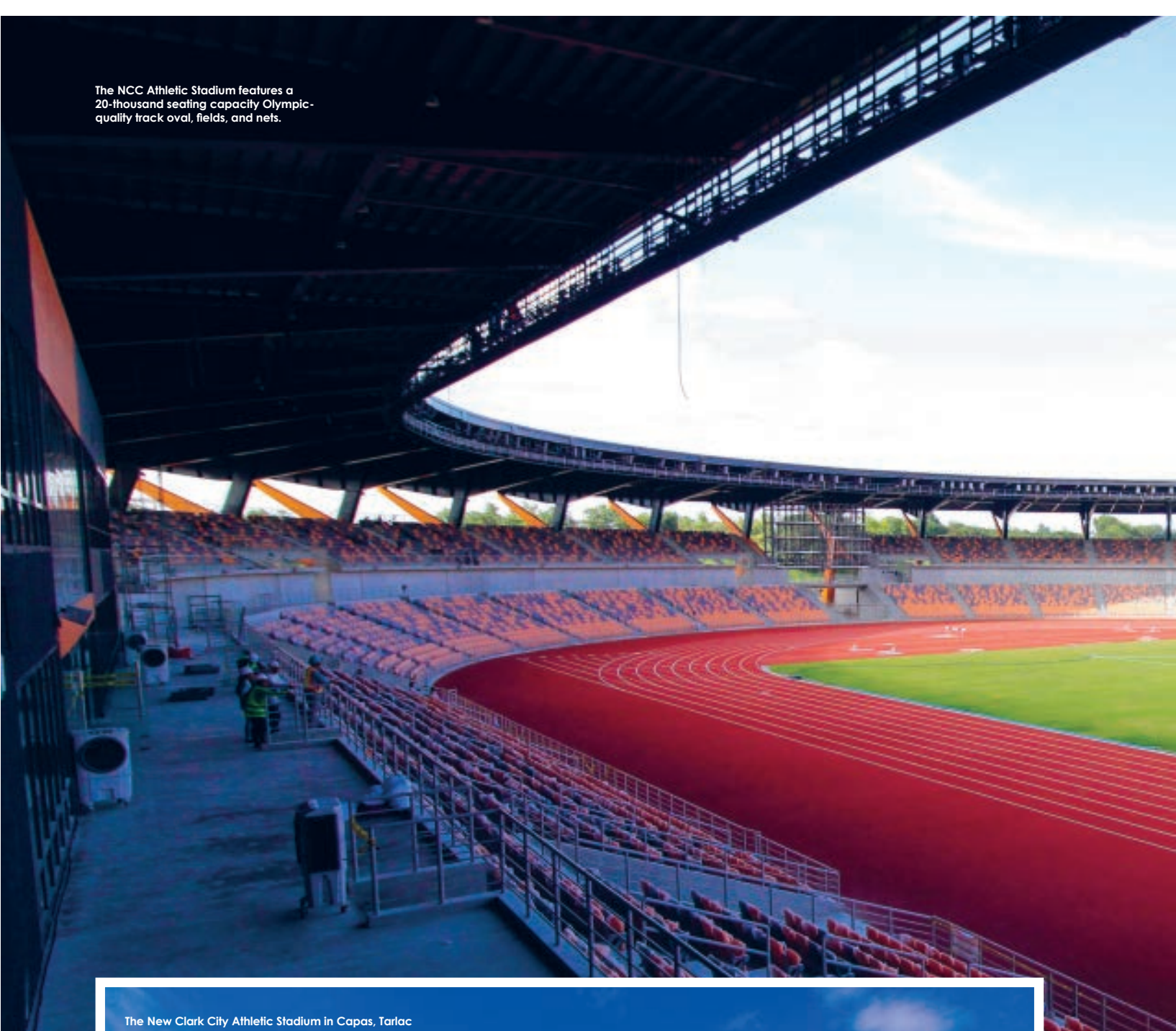
May kwento at may kwenta, di ba? Yan ang metric natin dito. Ipagpapatuloy natin ang paggawa ng mga magagandang kwento, para sa DBP, para sa bayan.

But let us not stop there, at making stories. We must spread the good news. As they say, great stories happen to those who can tell them. DBP has always been known as a good creator and teller of the development history of our country. As long as we continue working together, we can weave beautiful stories borne of our hard work, dedication, and passion.

Thank you. ■



The NCC Athletic Stadium features a 20-thousand seating capacity Olympic-quality track oval, fields, and nets.



The New Clark City Athletic Stadium in Capas, Tarlac



Building Roads, Redefining Progress

by Ma. Bernadette D. Zamora



The Philippines is endowed with great natural and human resources that provide countless potential for economic development and poverty reduction. Despite this, overall development outcomes over the last decades have fallen short of this potential. Take, for example, the worsening traffic situation in Metro Manila that has led to the Philippines' ranking as the third worst in Southeast Asia in this area, according to a 2017 study conducted by the Boston Consulting Group.

With the aim of addressing these development gaps, the Duterte administration launched the "Build, Build, Build" program in 2017, along with the designation of the Development Bank of the Philippines (DBP) as the country's premier infrastructure Bank.

"Build, Build, Build" aims to usher in a "golden age of infrastructure" in the country by prioritizing the construction of high-impact projects including high-capacity commuter service railways, a subway, more flood control and management facilities, roads and highways, airports, and new cities.

New Clark City

Located in Central Luzon, New Clark City (NCC) is at a confluence of industry and agriculture with existing infrastructure and connectivity to Manila and the rest of the Philippines. With a favorable location in the region and appropriate distance from Metro Manila, NCC is poised to become the next big metropolis.

Merging with nature, the heart of New Clark City is proposed to be a central park with a business district wrapped around it that has magnificent views of the hills. Served by public transport, housing and industries form the other layers. A network of open spaces forms the bond between diverse mixed use districts.

A destination where nature, lifestyle and business, education, and industry converge into a global city based on principles of sustainability.
(Source: <https://bcda.gov.ph/projects/new-clark-city>)



The New Clark City houses the National Government Administrative Center (NGAC) featuring disaster resilient back-up offices of various government agencies.

Since then, DBP has endeavored to remain at the forefront of providing more critical support to infrastructure initiatives on a countrywide scale.

Learning from Example - The New Clark City

A planned community under development in Capas, Tarlac -- the New Clark City (NCC) -- is one of the administration's legacy projects. Since its inception, the complex has opened up investment opportunities as it is already seen to become a modern Filipino metropolis in the region. With an area of approximately 9,450 hectares, the city is expected to decongest Metro Manila through job opportunities for over 1.2 million Filipinos.

Shielded by the Sierra Madre and Zambales mountain ranges, NCC lies above sea levels and is naturally designed to withstand natural disasters and calamities. It is also seen to be the most inclusive and sustainable city in the country to date, creating opportunities especially for the indigenous peoples and farmers who may be affected by the development of roads and infrastructure.

Done in phases, the entire development is being managed by the Bases Conversion Development Authority (BCDA). It is patterned after Putrajaya, the federal administrative capital of Malaysia. Similar to what Metro Manila faces today, Kuala Lumpur's traffic congestion was also an alarming concern then,

with traffic already causing disruptions in government operations, prompting then Prime Minister Mahathir bin Mohamad to propose the creation of a new city as a solution.

New Clark City fulfils the vision of a modern Philippines. It is a model for how urban communities should be – green, sustainable, with a regard for public spaces and integrated transport systems.

DBP and MTD: Partners for growth

In partnership with BCDA, MTD Philippines is working round the clock to fulfill the administration's marching orders to expedite the development of New Clark City. MTD is a multinational company and infrastructure developer based in Malaysia with an active presence in 15 countries across Asia, Europe and the Middle East. Its first project in the Philippines was the construction, operation and maintenance of the 36-kilometer South Luzon Expressway (SLEX) which was successfully completed in 2010.

"For many, building a city in the hinterland was ambitious. But we continue to persevere as we are one with the government in its rally to build sustainable and resilient cities for every Filipino," said Engr. Isaac S. David, Chairperson of MTD Philippines.

DBP and MTD formalized their development partnership for NCC with the signing of a P9.5-billion loan agreement to partially finance the construction and development of the National Government

Administrative Center's Phase 1A. The amount represents 75% of the P13-billion total budget for said phase.

"As the country's infrastructure bank, it is our role to not just finance viable projects but to actually contribute to the greater effort of building a sustainable nation. We build relationships with our clients and share the same mission of addressing major obstacles to economic growth," DBP president and CEO Emmanuel G. Herbosa said.

Almost completed within only 18 months since it broke ground in January 2018, Phase 1A is now 99% complete. The NGAC will house the disaster-resilient back-up offices of various government agencies. A world-class sports facility was also showcased during the country's hosting of the 2019 Southeast Asian (SEA) Games. The facility includes an aquatic center, a village for athletes, and other support facilities.

The masterplan for the NCC project reveals that the new city will be connected to the Subic-Clark-Tarlac Expressway and the Clark International Airport via access roads. The second phase of the project is set to commence within the first quarter of 2020. Meanwhile, a railway network stretching from Calamba, Laguna to NCC is reported to be operational by 2025.

MTD Philippines is thankful for the developmental partnership with DBP that has helped equip it to fulfill its obligations with the NCC. "By providing much-needed financing, DBP lives up to its name as the country's premiere development bank. We are just on the project's first phase, and we are very grateful for DBP's support as we commence construction of the other phases of the NCC project," David ends. ■

Of the 9.4 hectare land, only 3.5 hectares will be developed for mixed-used infrastructure to preserve green open spaces all over the New Clark City.

“For many, building a city in the hinterland was ambitious. But we continue to persevere as we are one with the government in its rally to build sustainable and resilient cities for every Filipino.”

Engineer Isaac S. David
Chairperson of MTD Philippines





APO AGUA INFRASTRUCTURE, INC. Delivering Safe and Sustainable Water

by Alni Dorothy Alfa R. Emphasis

DBP lived true to its mandate as the premier infrastructure bank of the country, spurring development initiatives nationwide when it provided long-term financial support to infrastructure developers and key players like Apo Agua Infrastructure even amidst domestic financial challenges. DBP's continued funding support to infrastructure projects not just capacitate its clients but also create far-reaching socioeconomic impact to beneficiary communities.

Apo Agua Infraestructura, Inc. (Apo Agua), a joint venture company between Aboitiz Equity Ventures and J.V. Angeles Construction Corporation, was formed in 2014 to build a bulk water supply project that will provide sustainable water in the third largest city of the Philippines, Davao City.

Upon its completion in the first half of 2021, the project is expected to supply water for 120 barangays in the city, significantly expanding its reach from the current 112 barangays already being supplied. The project was proposed by Apo Agua to the Davao City Water District (DCWD) to put forward "a sustainable bulk water solution for the city of Davao," Apo Agua President Roman V. Azanza III explains.

While the aquifers in Davao City still hold abundant water supply, there are certain areas in the city without access to ample supply of clean water. The Davao City Bulk Water Supply Project is a proactive step towards avoiding the impacts brought about by groundwater over-extraction such as drying up of wells, land subsidence and salt-water intrusion.

DCWD has teamed-up with Apo Agua in harnessing the Tamugan River to serve as an alternative source of water while allowing the aquifers to rest and regenerate over the next decades. This will also shift the dependence from groundwater wells as a source of water to the more sustainable surface water from the river.

At the same time, DCWD and Apo Agua endeavored to create a forested environment within the Panigan-Tamugan Watershed to keep the water pristine and at its best quality possible. Towards this end, Apo Agua recently signed a partnership agreement with DCWD through their Adopt-A-Site Program to plant trees on a 50-hectare land as part of this watershed rehabilitation and reforestation program.

"Together with the local council, we're helping them to put in the right policies, helping them develop the right studies to make sure that the watershed, the source of our water, will remain pristine not just for today's generation but for the next generations to come," Azanza explains.

Private Bulk Water Projects

Apo Agua is building one of the country's largest private bulk water supply facilities that will supply over 300 million liters per day of safe and sustainable water to DCWD for the people of Davao City.

The project is designed to capture and source surface water from the Tamugan River and divert it into a hydro-electric plant to generate 2.5 megawatts of hydroelectric power. The same electricity will power up the water treatment facility, after which the treated water will be delivered to DCWD's eight water systems, through 60-km pipelines, ready for distribution to Davaoeños.

With its use of renewable energy, the project runs in both self-sufficient and environmentally-sound manner.

Employment Generation and Community Engagement

As the shed is situated 60 kilometers away from the water systems of DCWD, a major portion of the project involves the construction of pipelines, thus opening up work and employment opportunities for the residents of nearby barangays.

According to Azanza, about 400 people are already working on the project, and more than a thousand more will be hired as the project completes its three-year construction phase including engineering design works and the installation of huge diameter pipelines throughout the city.

Also, Apo Agua continues to invest tremendous time and resources in serving the communities in the areas directly affected by the construction and pipe laying works. These services range from medical missions to educational programs and scholarship funding. Residents of affected communities benefit from regular check-ups, among others.

Business Relationship with DBP

"It all begins with the long-standing partnership we have with the DBP. As for the Aboitiz group, the relationship with the DBP has been well-over decades long. DBP has come in as a major lender across many of our power projects through the years," Azanza added.

To finance the construction and operations phases of the Davao City Bulk Water Supply Project of Davao City Water District, Apo Agua signed a P9-billion Omnibus Notes Facility and Security Agreement with a consortium of lender-banks that included DBP, BPI, China Bank, and Bank of Commerce.

"DBP, along with other core member banks, was able to provide financing in the midst of the Philippines' high inflation rate last year. That shows commitment, that shows partnership," Azanza reiterates. "That set the benchmark for projects of this nature. And that shows the real clear view of DBP to focus on projects that matter for the development of the Philippines."

In The Asset Asian Awards 2019, DBP bagged the Utility Project of the Year award for financing this first large-scale bulk water supply project in Mindanao by Apo Agua designed to augment the current water supply mainly sourced from deep wells.

DBP approved this project under its Water for Every Resident (WATER) program, its umbrella facility for supporting water supply projects. The WATER program is anchored on the thrust of the National Government as defined under the Philippine Water Supply Sector Roadmap which aims, among others, to ensure adequate long-term availability of and accessibility to potable water for all Filipinos.

To date, DBP continues to work closely with Apo Agua on the project's construction phase until its target completion. In partnership with Apo Agua, the bank intends to ensure the project's compliance with labor standards, occupational health and safety standards, ethical practices, among others are being observed.

In this venture and others, and working alongside valued development partners, DBP clearly shows its unwavering commitment to public service by continuing to provide funding support to developmental projects which don't just capacitate and advance businesses but also provide sustainable solutions to community problems such as the water problem in Davao City. ■

“When it was very difficult for most banks to give long-term financing due to major financial challenges the Philippine markets experienced last year (2018), DBP was able to provide us with nine billion pesos worth of financing, along with other lenders, for our project.”

– Apo Agua President Roman V. Azanza III





Beyond Farming: Nueva Ecija Paves the Way for Progress in the North

by Edille Anne Z. Reyes



DBP has been actively supporting the provincial government of Nueva Ecija in its various developmental efforts, including the construction of an onion cold storage plant.



As the country continues to pursue inclusive growth, local government units nationwide are pushed to pursue innovative and sustainable actions for the welfare of the public. One local government that continues to prosper in laying a strong foundation for equitable access to growth opportunities is the provincial government of Nueva Ecija. But how is the Rice Granary of the Philippines coping with the growing economic landscape in Luzon?

Nueva Ecija is a first-class province with a population of more than 2.15 million people. The province is located some 117 kilometers of Manila, and is composed of 27 municipalities and five cities. In the early 2000s, the province's economy was heavily dependent on agriculture. It was, and still is, considered the main rice growing province of the Philippines.

To be able to keep up with the high growth demand of today's economic environment, however, the provincial government of Nueva Ecija has embarked on developing more opportunity-generating structures in a bid to ultimately boost income-generating activities and livelihood expansion in the province.

"We wanted to construct infrastructure and community facilities that would be of service to the people of Nueva Ecija, and also bring in investments from both the private and public sectors," incumbent governor Czarina Umali said.

Long-standing development partnership

DBP and the provincial government of Nueva Ecija are long-time allies with a relationship that goes all the way back to the 1970s. DBP has constantly assisted the provincial government in its various initiatives not only for the infrastructure sector but also for agriculture, education, and eco-tourism.

In 2018, the provincial government reinforced its development linkage with DBP for key infrastructure development initiatives. DBP stepped in with financial assistance for roads, school buildings, and other infrastructure projects; and since then has been a constant ally in sustaining the province's economic centers. The partnership resulted in the opening of new roads, connecting provincial thoroughfares to the main expressways.

DBP granted an omnibus loan to the provincial government for boosting trade and facilitating the movement of goods and people across the province. The infrastructure project will provide an alternative route for motorists coming from Bulacan and Metro Manila, thereby reducing travel time. The bulk of the amount has been channeled into the construction of a two-lane road that will link the towns of Peñaranda, San Isidro, and Cabiao; and the city of Gapan in the southern part of the province. The province has also facilitated the building of over 171 public school buildings consisting of 342 classrooms.

Speaking at last year's signing ceremony for the omnibus loan to the provincial government of Nueva Ecija, DBP chairman Alberto G. Romulo expressed his admiration for how progressive Nueva Ecija has become,

The bank has also funded various infrastructure projects in Nueva Ecija particularly the construction of farm-to-market roads.



adding: "Today, we are ushering in a new chapter in our long-standing partnership as we ink this agreement for a P1.3-billion omnibus term loan facility. I am excited for this project because its effects are far-reaching; it doesn't impact just one sector or region in the province. Since this term loan will finance the construction and rehabilitation of roads in various parts of the province, many Novo Ecijanos will benefit from it. Motorists and commuters will soon no longer have to deal with traffic while farmers and traders will soon find it easier to transport their goods to the markets."

Through its partnership with DBP, the provincial government was also able to establish the Eduardo L. Joson Memorial Hospital and the Agri-Pinoy Trading Center in Cabanatuan City. Rice drying, treatment and onion cold storage centers have also been constructed in the province. At present, Nueva Ecija is one of the leading producers of onions in South East Asia.

"We are thankful to DBP for assisting our province. Hopefully, we will be able to sustain these improvements in the years to come," Governor Umali added.

Today, Nueva Ecija is among the bank's top clients in the region. Proving the importance of collaboration and a shared vision of empowered local communities, DBP and the provincial government have put into service projects that are in line with efforts to put up the necessary infrastructure to maximize the growth potential of Central Luzon and to spearhead development in the countryside.

Encouraged by success stories of local partnerships for growth, DBP remains ever committed to advancing sustainable development goals. The bank continues



Photos above show the technical interior of the onion cold storage plant.

to take an active stance on pursuing more collaborations that will facilitate the efficient movement of goods and people across the nation thus, further boosting trade and livelihood opportunities for more and more local communities. ■



DBP-funded Modern Poultry Project Opens in Camarines Norte

DBP regional officers recently joined Camarines Norte governor Edgar Tallado and other local officials in inaugurating a bank-financed modern poultry building envisioned to help boost farm productivity in the province.

The tunnel-ventilated poultry building of Aramis Farm located in Barangay Lugui, Labo, Camarines Norte is the first of its kind in the northernmost province of the Bicol region.

"We are pleased to have assisted Aramis Farm in the construction of this modern

facility," DBP president and CEO Emmanuel G. Herbosa said of the project bankrolled by a P20-million DBP term loan facility. "This mirrors DBP's commitment to promote agribusiness in the countryside, contribute to food security, and promote environmental protection."

Located some 350 kilometers south of Manila, Camarines Norte has 12 towns and a population of more than 583,300 as of the 2015 census. Its economy is largely dependent on agriculture.

The inauguration of the tunnel-ventilated poultry building, which will increase Aramis Farm's production by 45,000 chicks, is also timely as the firm is set to commence its contract-growing venture with Bounty Agro Ventures, Inc.

Governor Tallado thanked DBP for its continuing efforts to assist small and medium enterprises in the province as well as the other projects of the provincial government.

Owned by spouses Erwin and Rhoda Lausin, Aramis Farm is also in the process of securing bank assistance for the construction of a second poultry building scheduled within the year. ■



Top photo shows the blessing and inauguration of the tunnel-ventilated poultry building of Aramis Farm led by Camarines Sur governor Edgar Tallado (front row, center), Camarines Norte vice governor Jonah Pimentel (in red shirt), Aramis Farm owner Erwin Lausin (in white polo shirt and light gray short pants), and DBP Camarines Sur Lending Center head assistant vice president Ariel Peña (extreme left).

Bottom photo features governor Tallado, vice governor Pimentel, and Peña inspecting the tunnel-ventilated poultry facility that will house 45,000 heads of day-old chicks.



Photo shows Surigao del Sur governor Alexander Pimentel (fourth from left), Barobo mayor Joey Pama (eighth from left), Unifrutti International Holdings, Ltd. CEO Marco Venturelli (eighth from right), Unifrutti Group Philippines president and chairman Alberto Bacani (seventh from right), DBP president and CEO Emmanuel G. Herbosa (fifth from right), and DBP directors Luis C. Bonguyan (fourth from right) and Emmanuel P. Galicia, Jr. (extreme right). Also in photo are senior vice president Annie Veloso (third from right) and senior manager Amelita Pinanday (second from right) from DBP, and other Unifrutti Group officials.



Grow ng Bananas

by Maria Niecel B. Fullido

The Philippine Statistics Authority (PSA), in its Major Fruit Crops Quarterly Bulletin for July-September 2019 reported: "Banana production from July-September 2019 was estimated at 2.39 million metric tons. Davao Region posted the highest production of 894.63 thousand metric tons, which represented 37.4 percent of the total banana output this quarter. This was followed by Northern Mindanao and SOCCSKSARGEN with 21.8 percent and 12.6 percent shares, respectively. Cavendish variety recorded the highest output of 1.23 million metric tons, which comprised of 51.2 percent of the total banana production. *Saba* and *Iakatan* varieties shared 28.4 percent and 10.7 percent to the total, respectively."

The Business Mirror, meanwhile, reported that the Philippines has reclaimed its position as the second largest exporter of bananas in the world, but Filipino growers have urged the government to provide more support to maintain the stature, in view of the tightening competition coming from South American exporters.¹ As one of the top five exporters of bananas, the Philippines

registered some 2.85 million metric tons in banana exports in 2017 alone.²

Acting swiftly to give the sector a further boost and allow it to make the most of the pervading optimism in the industry, DBP has approved a total of US\$38.6-million (or approximately P2.084-billion) in loan assistance to MT Kitanglad Agri-Ventures, Inc. (MKAVI-1)

¹ "PHL reclaims rank as 2nd top banana exporter; growers seek govt aid," by Jasper Y. Arcalas, February 4, 2019, <https://businessmirror.com.ph/2019/02/04/phl-reclaims-rank-as-2nd-top-banana-exporter-growers-seek-govt-aid/> (uptake October 14, 2019, 10:32 am)

² www.promusa.org/Philippines-on-the-Philippine-banana-industry-with-reference-to-export-data-from-OpenSTAT-of-the-Philippine-Statistics-Authority-PSA, (Uptake October 14, 2019, 11:10am)

and Unifrutti Tropical Philippines, Inc. (UTPI) which, together with several other subsidiaries, comprise the Unifrutti Group.

The DBP funding assistance – composed of several facilities will support the development of 700 hectares of banana plantations in Surigao del Sur and Bukidnon.

The Unifrutti Group already has existing corporate grower farms in these project sites, which are known locations for agricultural farms of banana and *palay*, among others. These project locations also offer the additional advantage of suitability for plantation expansions, given its classification as generally peaceful and progressive.

Unifrutti Group

Unifrutti Group is known for opening and maintaining banana plantations in conflict-affected areas in Mindanao.

UTPI is a world-renowned grower and trader of fresh fruits. It is also one of the largest producers of export-quality Cavendish bananas in the country. It owns and runs the port and cold storage facilities and provides management services for the Group's Philippine corporations.

Unifrutti Group's port facility can accommodate two international vessels at any time, while their 1.3 hectare container yard can hold 200 container vans. The facility has two cold storage facilities, with 100 rooms and a total

area of 8,850 sq.m. that can accommodate 470,000 boxes of bananas at any given time. Cold storage facilities are equipped with an advanced refrigeration system that improves the quality and shelf life of fresh produce.

MKAVI-1, on the other hand, operates a 674-hectare banana plantation located in Alanib, Lantapan, Bukidnon.


The Unifrutti Group has three other corporate farms in the Philippines with a total area of 596 hectares. It also works with various banana contract growers, covering a total hectareage of 6,750 located all over Mindanao, mostly in the Davao Region. Through this working partnership, the Unifrutti Group is able to achieve a total production average of 23.7 million boxes or 270,000 metric tons of Cavendish bananas per year.

Unifrutti Philippines

Unifrutti started its Philippine operations through Oribanex Services, Inc. in 1991 in Davao City, Davao del Sur, where Unifrutti is currently located. It was established mainly to ensure a stable and continuous supply of good quality fruits for the market of the Italian-owned De Nadal Group of Companies, which also owns Unifrutti Holdings International Limited. Founded in 1948 in Eritrea, Africa, the former's main business is the trading of fresh fruits, with sales reaching more than 556,000 MT throughout the world.

Photos below show Unifrutti Tropical Philippines, Inc.'s port facility in Panacan, Davao City.





Currently, the Unifrutti Group's main production areas are in South Africa, the Philippines, Chile, Italy, and Argentina. It has trading operations in Europe, the Middle East, Japan, China, and Korea. The group's corporate plantations produce highland bananas from 530 to 1,175 meters above sea level, which fetch premium prices because they are sweeter than the lowland varieties. Total hectareage of farms planted to bananas is 8,020 for a yearly production of over 20 million boxes of export quality Cavendish bananas. It has contract growers consisting of five corporations, nine cooperatives, and two independent contract growers contributing 6,750 hectares to the group's farm productions.

It pays to go bananas

The disparity between the volumes supplied by its own farms and those contracted (1,270 hectares vs. 6,750 hectares) has prompted the Unifrutti Group to expand their corporate farms to ensure supply and price stability in the future.

The group has identified eight locations for these expansions that include those in Surigao del Sur, Agusan del Sur, Davao Oriental, Davao del Sur, Bukidnon, Basilan, North Cotabato and South Cotabato. These areas will cover a total of 2,710 hectares, with DBP funding the first three locations that will kickstart the group's major expansions in phases.

Beyond corporate growth, however, Unifrutti Group's planned expansion also supports efforts to bring peace and development in conflict areas in Mindanao. To the group's credit, its subsidiary Mt. Kalatungan Agri-Ventures, Inc. (MKAVI-2) -- operates a 272-hectare highland banana farm in Bumbaran, Lanao del Sur. This farm project is now a show window in the Autonomous Region in Muslim Mindanao (ARMM) where Muslims and Christians work side by side in peace and harmony.

The group's impact on employment generation is also not to be taken lightly. Given the labor-intensive nature of their farm operations, the group's projects will employ a total of 3,500 across its companies in the Philippines, with an additional 1,000 jobs resulting from their expansion initiative.

The Unifrutti Group likewise gives importance to the environment in the pursuit of its business. Attesting to this is

their Rainforest Alliance Certified Seal (RACS), which means its existing businesses meet the Sustainable Agricultural Network standard. This underscores its continuing regard for efforts to conserve ecosystems, protect biodiversity and waterways, conserve forests, reduce agrochemical use, and safeguard the well-being of its workers and local communities.

From DBP's development standpoint, the bank's partnership with the Unifrutti Group will go a long way to maintain the Philippines' stature in world banana production and export.

As DBP president and CEO Emmanuel Herbosa said of the partnership: "It is no secret that banana is one of our country's top agricultural products, with Mindanao accounting for a lion's share of the production, and thousands of farmers relying on it for their livelihood. I am optimistic that this initiative will boost banana production in the region, in the process help stabilize prices and provide more employment opportunities for our fellow Filipinos. This project is also a showcase of our commitment to support the agricultural sector not only in Mindanao but the entire country. Helping the sector thrive would yield benefits such as achieving food security and self-sufficiency, eradicating extreme poverty and hunger, and preserving the environment." ■



Photo shows (from left): Mt. Kitanglad Agri-Ventures Inc. (MKAVI-1) and Unifrutti Tropical Philippines, Inc. (UTPI) president and CEO Alberto Paterno F. Bacani; Unifrutti Holdings International Ltd. (UHIL) CEO Marco Venturelli, and DBP president and CEO Emmanuel G. Herbosa.



Launch of DBP Governance Circles at DBP Tagbilaran Branch in Bohol. In photo are (from left): DBP senior vice president Perla Melanie C. Caraan; DBP Employees Union president Rudelito Tirado; DBP vice president Romeo Carandang; DBP directors Rogelio V. Garcia and Maria Lourdes A. Arcenas; DBP president and chief executive officer Emmanuel G. Herbosa; DBP directors Luis C. Bonguyan, Emmanuel P. Galicia Jr., and Teodoro M. Jumamil; DBP assistant vice president Masli Quilaman; and DBP senior vice president Fernando Lagait.

DBP Rolls Out Governance Circles

DBP has launched its bankwide **Governance Circles** designed to further institutionalize good governance processes to strengthen overall organizational effectiveness and foster a culture of inclusion and learning for best practice.

A milestone in participatory governance, the Governance Circles serve as the key governance venue to facilitate open engagement in the implementation of bank policies through honest communication, close collaboration, and commitment to good governance. Its rallying cause of *"Tulong-Tulong Makamit ang Kabutihan para sa Bayan"* highlights the importance of excellence, teamwork, integrity, service to others, and love for the Filipino as hallmarks of a responsible DBP corporate citizen.

"The Governance Circles allow the DBP team to bring forth ideas and experiences to the policy-making table as well as stakeholder concerns as appropriately addressed and

reflected in bank initiatives," said DBP president and chief executive officer Emmanuel G. Herbosa.

"The DBP Board considers the Governance Circles as its partners to reinforce core ethical values of trustworthiness, accountability and fairness in line with its mission of supporting sustainable growth," said DBP director Maria Lourdes A. Arcenas, Governance committee chairperson.

DBP is the first among government financial institutions (GFIs) in the country to operationalize Governance Circles for enhanced performance and delivery of services. ■

Photo shows DBP officials (from left): DBP Employees Union president Rudelito Tirado, Jr., directors Rolando Metin and Maria Lourdes Arcenas, president and chief executive officer Emmanuel Herbosa, directors Emmanuel Galicia, Jr., Luis Bonguyan, Rogelio Garcia, and Teodoro Jumamil during the launching ceremony of the Governance Circles in Bohol.





DBP RISE Banks on the Youth

by Edille Anne Z. Reyes

Education is a fundamental factor for development and growth. It remains a key aspect of progress – and empowering tool not only for individual growth, but also for building a nation.

Today's society presents us with various developmental and technological changes. Such occurrence has made it possible for nations to expand and improve. For a developing country like the Philippines, it is important that every

individual's potential is nurtured and supported for sustainable country-wide growth.

For over 72 years, DBP has played a pivotal role in funding the evolving development needs of the country. The bank has supported not only infrastructure development, but human development as well. As a developmental funding institution, DBP is committed to broadening not only financing options and investment opportunities but also to extending financial assistance to support government reforms and priority initiatives.



Carrying on with its commitment to promote the welfare of Filipinos particularly the underprivileged and undereducated, DBP has signed a memorandum of agreement with 14 partner-schools for the DBP Resources for Inclusive and Sustainable Education (RISE).

DBP RISE is the bank's primary corporate social responsibility initiative for education. Through creative collaboration with selected partner-schools, DBP aims to help mold financially-challenged Filipino youth into responsible, empowered, productive and competitive global citizens. The program

“...in five years, we will be having a total of **five batches of scholars as beneficiaries.**”

DBP president & CEO Emmanuel G. Herbosa



seeks to empower indigent students in their academic pursuits by making quality education accessible and easy to avail.

The bank has partnered with 14 schools for the scholarship program, including the University of Cebu, Philippine Normal University, University of Science and Technology of Southern Philippines, Mindanao State University – General Santos, Mindanao State University System, Lyceum of the Philippines University – Cavite, DMMA College of Southern Philippines, Mary Queen College of Quezon City, Inc., Mindanao State University – Tawi-Tawi, Our Lady of Triumph Institute of Technology, Polytechnic University of the Philippines, UP Los Baños, and West Visayas State University.

“The challenge for the younger generation is to be the person our country needs. I anticipate that through this collaboration with the DBP RISE Partner Schools, we will not only support the scholastic pursuits and aspirations of our scholars, we will also help uplift Philippine society,” said DBP director Rolando L. Metin, who delivered the message of support of chairman Alberto G. Romulo during the MOA signing.

DBP president and chief executive officer Emmanuel G. Herbosa, meanwhile, announced that the bank has allocated a total of P500-million to financially support at least 1,750 scholars from the marginalized sector of the country. Scholarship support covers tuition, board and lodging expenses, living allowance, cost of apprenticeship,

residency training, and expenses during review for board exams – which should all be adequately addressed in order that students may focus on staying fit and competitive in their respective academic endeavors.

“As of August 31, 2019, the bank has already released P4.38-million to cover the financial requirements of our scholars. In five years, we will be having a total of five batches of scholars as beneficiaries of the P500-million CSR program,” Herbosa said.

To date, RISE scholars are pursuing courses in engineering, real estate management, accountancy, education, sciences, agriculture, allied medical fields, maritime, information technology and technical-vocational at partner-schools all over the country. This is also part of DBP's efforts to support the country's “Build, Build, Build” program.

The RISE program is a testament to DBP's belief that every Filipino is capable of achievements that will lead to developmental feats. For the nation to prosper, the youth's potentials must be nurtured and honed, and there is no better tool to achieving this than education. Through the RISE program, DBP hopes to be able to improve not only the lives of the scholars as through education, they are also expected to be transformed into productive members of society that would share in the advocacy of advancing country-wide growth. ■

DBP-Backed Infra Projects to Boost Economic Activity in Tuguegarao City

DBP has extended a P600-million loan to finance key infrastructure projects of the city government of Tuguegarao that will stimulate economic activity in the capital of Cagayan province.

DBP president and chief executive officer Emmanuel G. Herbosa said the bank is lending P400-million for the reconstruction of the Don Domingo public market, and another P200-million for the repair of various roads in Tuguegarao City.

"DBP is proud to be partnering anew with the local government of Tuguegarao City for these projects that will give residents a new public market and more well-paved roads," he said. "We envision the public market to stimulate economic activity in Tuguegarao and provide micro-entrepreneurs with a venue to ply their trade. We are confident that our assistance will go a long way in helping sustain economic growth in the city through the provision of modern infrastructure and community facilities."

Tuguegarao City mayor Jefferson P. Soriano expressed gratitude to DBP for supporting the city government's various development programs. "Thank you to DBP for the assistance and I hope we can continue our partnership in the future," he said.

Tuguegarao is the most populous city in Region II with more than 153,500 residents as of the 2015 census. It is the center of trade and commerce in the region and one of the fastest-growing cities in the country.

The city government of Tuguegarao is a long-standing partner of DBP which has previously assisted its projects such as the acquisition of garbage compactors and the construction of classrooms and school buildings in different public schools. The city is also a top depositor of DBP Tuguegarao branch and has availed of various cash management solutions of DBP such as Point of Sale terminals, prepaid cards, ATM payroll, deposit pick-up, and eGOV services. ■

DBP president and chief executive officer Emmanuel G. Herbosa (in white barong, center) shakes hands with Tuguegarao City mayor Jefferson P. Soriano after the P600-million loan agreement signing between DBP and the city government of Tuguegarao. Also in photo are (from left, first row): Tuguegarao City treasurer Buenaventura F. Lagundi; DBP executive vice president Jose Gabino D. Dimayuga; Tuguegarao City vice mayor Bienvenido C. De Guzman II; DBP senior manager Carolyn C. Bago; and Tuguegarao City administrator Atty. Romeo I. Calubaquib. Witnessing the loan signing at the back are (from left): Association of Barangay Councils president Gil G. Pagulayan; Tuguegarao City councilor Danny L. Baccay; DBP vice president Catherine T. Camarao; and Tuguegarao City councilors Arnel T. Arugay (partly hidden), Gilbert S. Labang, and Wynnoco R. Abraham (partly hidden).



DBP Seals Pact with Isabela LGU, Fintech Firm to Benefit Local Farmers

DBP has signed a memorandum of understanding with the Provincial Government of Isabela, the Nagkaisang Magsasaka ng Isabela (NMI) Agriculture Cooperative, and PayMaya Philippines, Inc. to facilitate the disbursement of funds to the farmer-members of NMI Agri-Coop and tobacco farmers in the province.

DBP president and chief executive officer Emmanuel G. Herbosa said under the MOU, PayMaya Philippines Inc. would issue Automated Teller Machine (ATM) Identification Cards to more or less 5,000 member-farmers of NMI Agri-Coop and 5,000 tobacco farmers of Isabela.

"DBP is honored to be a part of this momentous undertaking," Herbosa said. "The issuance of ATM ID Cards by PayMaya will allow for the cashless disbursement of funds including proceeds of the farmers' share from the excise taxes."

Under the MOU, DBP would also offer its Digital Banking Portal (DBP2) both to the Provincial Government of Isabela and NMI Agri-Coop to facilitate ease in monitoring and disbursement of funds. Through the DBP2, they can view and monitor their cash balances and transaction history as well as perform electronic fund transfers, bulk credit or debit upload instructions, liquidity management, among others.

The NMI Agri-Coop was established on August 28, 2019 through the support of the Provincial Government of Isabela, with the primary objective of mitigating the impact of Republic Act No. 11203 or the Rice Tarrification Law of 2019. Isabela is widely-regarded as the rice and corn granary of Luzon accounting for 12 percent and 21 percent of the total annual rice and yellow corn production of the country as of 2018.

PayMaya, the digital financial services arm of Voyager Innovations, is a Fintech company offering integrated consumer and merchant



DBP president and chief executive officer Emmanuel G. Herbosa (center) joins hands with (from left) DBP Executive Vice President Susan Z. Prado; PayMaya Founder and Chief Executive Officer Orlando Vea; Isabela Governor Rodolfo T. Albano III; DBP Executive Vice President Jose Gabino D. Dimayuga; and NMI Agri-Coop President Ana Cristina Siquian-Go after the signing of the memorandum of understanding.

payment solutions. It provides Filipinos with e-wallet that allows them to perform cashless transactions any time of the day, from anywhere in the world, and from any device.

Herbosa said DBP would also be opening a financing window for NMI Agri-Coop under the Expanded Rice Credit Assistance of the Rice Competitiveness Enhancement Fund (ERCA-RCEF) component of the Rice Tarrification Law.

He said the loan proceeds will be utilized as working capital to procure palay from the marginalized member-farmers of NMI Agri-Coop at a premium rate, adding, "...trading and all other financial transactions would be coursed through the ATM ID cards..."

"This MOU would also benefit the tobacco farmers in the province as proceeds from the excise taxes from locally-manufactured cigarettes, barley and native tobacco would be channeled through the ATM ID cards," Herbosa said.

Under Republic Act No. 7171, the National Government extends special support to tobacco farmers which are sourced from the 15 percent of excise taxes on locally-manufactured Virginia-type of cigarettes.

Herbosa lauded the Isabela Provincial Government for initiating the project that intends to enhance the overall productivity, enhance product quality, increase incomes, and open possible entrepreneurial pursuits of local farmers through the use of available technology. ■

DBP-Funded Infra Projects to Rise in Ilocos Norte

Three big infrastructure projects funded by DBP will soon rise in Ilocos Norte and help sustain the socio-economic development in the province.

Officials of DBP and the provincial government of Ilocos Norte recently attended the simultaneous groundbreaking ceremony of the three big-ticket infrastructure projects tipped to boost the province's stature as a thriving northern gateway.

In 2018, DBP approved a P2.042-billion loan for the construction of the provincial capitol expansion building, reconstruction of a food park, and rehabilitation of the Ferdinand E. Marcos memorial stadium.

The Ilocos Norte provincial capital expansion building is a three-storey structure that will consist of office and commercial spaces, a multi-purpose hall, and parking spaces. It will be funded by a P640-million loan from DBP.

The Dap-Ayan Food Park, meanwhile, will become the tallest government building in Ilocos Norte. The eight-storey building, which will be built with a P360-million DBP loan assistance, will have an architectural design similar to that of the Provincial Capitol building. The Ilocos Norte provincial government wants to use the building to showcase the province's unique and quality products in a bid to promote trade and investment in the area.

The rehabilitation of the Ferdinand E. Marcos Memorial Stadium is in line with the provincial government's efforts to boost tourism in the province. It has a seating capacity of 11,000 and will be built with a P1-billion DBP funding assistance.

The projects are expected to be completed within three years.



Photo shows senator Imee Marcos (in red top) with Ilocos governor Matthew Marcos Manotoc (middle) and DBP executive vice president Jose Gabino Dimayuga (rightmost) during the groundbreaking ceremony of the three DBP-financed infrastructure projects in Ilocos Norte.



In her message, former Ilocos Norte governor and now senator Imee R. Marcos said that the infrastructure projects are part of a master plan for Metro Ilocos to boost sustainable development in the province through quality infrastructure and public facilities. She added that the plan is now being realized under the new administration of new governor Matthew Marcos Manotoc. ■

DBP Supports Parañaque City Student Assistance Program

DBP recently signed a memorandum of agreement (MOA) with the city government of Parañaque and the Department of Education (DepEd) for a student assistance program that will benefit over 40,000 qualified public school students.

President and chief executive officer Emmanuel G. Herbosa said the bank will assist the local government unit of Parañaque in providing a P5,000 annual allowance to junior and senior public high school students in the city starting this school year, in a bid to also encourage out-of-school youth to go back to school.

Under the agreement, DBP will facilitate the electronic disbursement of allowances and subsidies through the students' DBP savings account, which comes with a DBP EMV Debit Card that may be used at any DBP or BancNet-affiliated ATM. Approved student-beneficiaries shall be qualified to open a DBP savings account without the initial deposit and maintaining balance

requirements, with interest to be earned upon reaching a deposit balance of P500.00.

"We want to make it possible for the student-beneficiaries to access their accounts easily through our services," President Herbosa said. DBP will also conduct the proper training to teacher-advisers at designated partner-schools on the KYC procedure under the AMLA, in coordination with the LGU and DepEd.

This latest arrangement is a testament to DBP's continuous effort in contributing to the improvement of lives of Filipinos across the nation to make available the highest possible standards of quality education, president Herbosa added.

Parañaque City is a first class, highly urbanized city with over 21 public elementary schools and 10 public high schools. City mayor Edwin L. Olivares said the joint initiative with DBP and DepEd would allow the city government to arrange for P500 monthly allowance for all public school students of the city, provided that they would exhibit consistent class attendance and good moral character and conduct. ■

DBP president and chief executive officer Emmanuel G. Herbosa (third from right) stands with officials from the Department of Education (DepEd) from left, respectively: Parañaque City treasurer Dr. Anthony L. Pulmano, Parañaque City mayor Edwin L. Olivares, and DepEd School Division superintendent Dr. Maria Magdalena M. Lim during the signing of the Memorandum of Agreement. Also in photo are DBP executive vice president Susan Z. Prado (second from left) and senior vice president Madeleine F. Aldana (extreme right).



DBP Pumps Up Cavite Digitalization Efforts

In support of the digitalization efforts in Cavite, DBP has recently signed a P590-million loan agreement with the Provincial Government of Cavite for the establishment of the Cavite Broadband Network (CBN).

DBP president and chief executive officer Emmanuel G. Herbosa said that the project involves the laying of a fully underground fiber optic cable backbone to that will be installed along Cavite's major roads and highways in 23 municipalities and the Provincial Capitol Compound, 128 public schools, and 44 public areas.

"DBP's loan assistance to the province solidifies our commitment towards inclusive growth and sustainable development,," Herbosa said. "We are honored to be part of the province's effort in enabling ease of doing business through digitization."

The CBN, which is eyed for implementation by the second quarter of 2020, aims to centralize government services and enhance the province's current communication systems, and is an offshoot of the LGU's LINKod Kabitenyo Project, which offers free internet access to approximately 631,700 users through public Wi-Fi in 111 sites.

Herbosa furthered said that this partnership is a step towards the fulfillment of the National Government's mandate to improve the country's digital infrastructure through enhanced communications and connectivity.

The first-class province of Cavite has more than 3.6-million residents as of 2015 census. It has an employment rate of 84.4% with a total of 1,226 industrial establishments, with the electronic and telecommunications sector ranked second in terms of the most number of establishments operating in the province, based on the 2017 Cavite Ecological Report. ■

DBP executive vice president Jose Gabino D. Dimayuga (in white barong, center) shakes hands with Cavite provincial governor Juanito Victor Remulla after the signing of the P590-million agreement between DBP and the Provincial Government of Cavite. Also in photo are (from left): DBP legal officer Atty. Jose Maria L. Villareal; DBP manager Edward R. Mansion; DBP senior vice president Abelardo L. Monarquia; DBP account officer Jian April P. Parker; DBP legal officer Atty. Raquel C. Enriquez; and Cavite governor chief of staff Atty. Hubert V. Gervacio.



DBP Joins Global Movement for Responsible Banking

DBP has recently become one of the **Founding Signatories of the Principles for Responsible Banking, committing to strategically align its business with the Sustainable Development Goals and the Paris Agreement on Climate Change.**

By signing the Principles for Responsible Banking, DBP joins a coalition of 130 banks worldwide, representing over US\$47-trillion in assets, in committing to taking on a crucial role in helping to achieve a sustainable future.

Taking place at the start of the UN General Assembly last month, the official launch of the Principles for Responsible Banking marked the beginning of the most significant partnership to date between the global banking industry and the UN. "The UN Principles for Responsible Banking are a guide for the global banking industry to respond to, drive and benefit from a sustainable development economy. The Principles create the accountability that can realize responsibility, and the ambition that can drive action," said UN Secretary-General Antonio Guterres at the launch event, attended by the 130 Founding Signatories and over 45 of their CEOs.

As expressed in the Principles for Responsible Banking, DBP is convinced that "only in an inclusive society founded on human dignity, equality and the sustainable use of natural resources can our clients, customers and businesses thrive."

By signing up to the Principles, the banks commit to "using our products, services and relationships to support and accelerate the fundamental changes in our economies and lifestyles necessary to achieve shared prosperity for both current and future generations."

"A banking industry that plans for the risks associated with climate change and other environmental challenges can not only drive the transition to low-carbon and climate-resilient economies, it can benefit from it," said Inger Andersen, Executive Director of the United Nations Environment Programme (UNEP). "When the financial system shifts its capital away from resource-hungry, brown investments



DBP president and CEO Emmanuel G. Herbosa says that sustainable and responsible banking practices have always been at the core of the bank's operations.

to those that back nature as solution, everybody wins in the long-term."

The Principles for Responsible Banking are supported by a strong implementation and accountability framework. By signing them, DBP commits to being transparent on both its positive and negative impact on people and planet. DBP will focus where it has the greatest impact – in its core business – and set, publish and implement ambitious targets to scale up positive and address any negative impacts in line with global and local goals.

DBP President and Chief Executive Officer Emmanuel G. Herbosa said, "Sustainable and responsible banking practices have always been at the core of DBP's operations. By being one of the founding signatories of the Principles for Responsible Banking, DBP re-affirms its commitment to protecting the planet and ensuring a sustainable and prosperous tomorrow for future generations."

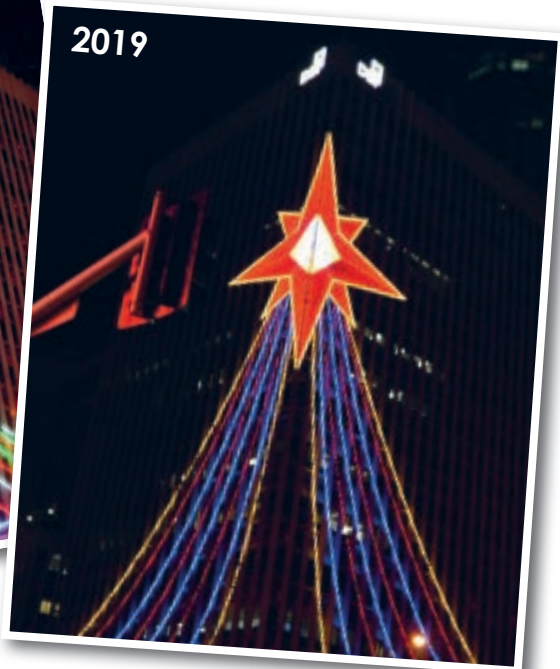
The Principles for Responsible Banking will provide DBP with an effective framework to systematically identify and seize new business opportunities created by the emerging sustainable development economy, while at the same time enabling the bank to effectively identify and address related risks.

The Principles for Responsible Banking were developed by a core group of 30 Founding Banks through an innovative global partnership between banks and the UNEP Finance Initiative (UNEP FI). UNEP FI is the UN-private sector collaboration that includes membership of more than 250 finance institutions around the globe. ■



Pasko

sa DBP



DBP's Christmas celebration has always been one of the most colorful and meaningful. The traditional DBP Christmas décor ushers in and turns up the holiday vibe. This is soon followed by more activities that pump up the season's cheer, and everybody just couldn't help but partake in the revelry.

DBP Star lights up Christmas

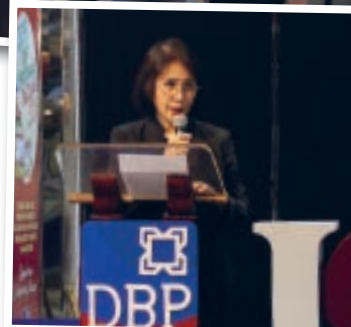
DBP hosted this year's Light Up Makati Launching Ceremony, one of the most anticipated activities in the city during this meaningful season.

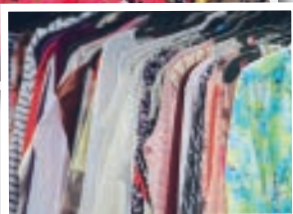
Light Up Makati is an initiative of the local government that mobilizes active community engagement and involvement. When the Light Up Makati contest was launched in 2017, DBP's entry bagged the first prize in the private/corporate establishments category.

This year, DBP's Christmas Star lighted up the bank's head office façade, to symbolize the hope that DBP brings as it reaches out and brings those in the fringes in the mainstream of the country's journey towards economic inclusion.

Fellowship. Fun. Family. Fortitude.

The DBP Family gathered for their first-ever institutional fellowship in a night of pure camaraderie and fun. Everyone made the most of D-day, gamely measuring up to DBP president and CEO Emmanuel Herbosa's invitation: "Fellowship. Fun. Family. Fortitude. We owe it to our beloved institution -- and to each other -- to consistently cultivate and nurture these. At our first institutional Fellowship, let's do nothing less than this. I look forward to meeting you all. It would be my honor and pride to shake your hands and share a memorable moment with the brilliant and admirable men and women of DBP."





All roads lead to the DBP Christmas Bazaar

Bargain hunters had their fill of an affordable shopping experience at the 2019 DBP Christmas Bazaar. Those looking for affordable Christmas gifts, food and other bargain items had a field day shopping with almost 80 stalls showcasing an array of items that included RTW and accessories, Christmas and home decor, leather products, and native delicacies.

DBP Family caroling

To cap off all the Christmas festivities, employees serenaded their Board of Directors during the DBP Family Caroling. A tradition that started years ago following the institutional strengthening program of DBP in the 1980s, officers and employees in the head office of the bank come face-to-face with their leaders in a warm exchange of Christmas greetings and well-wishes for the coming year.■





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